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THEME

*The role of the IMF during the
crisis of covid-19 (the case of
MENA region)*

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Appreciation

First one to thank and praise is Allah swt the Most Gracious, the Most Merciful the one who guided me the one who helped me the most the one who I would not be able to do this thesis without him.

I`m super thankful to my teacher and my supervisor pr. Talbi Salah Eddine for all the help, for his instructions and guidance since the start of this thesis.

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Dedication

To my parents the light of my life the ones who were there for me since the first day the ones who taught me what patient and strength were the ones who supported me physically and emotionally.

To my brothers my back up and my support.

To my best friends all of them specially Ikram the one who were always there for me through highs and lows.

To anyone who ever made a positive impact in my life.

Abstract:

This study aim was knowing the role of the international monetary fund against the covid-19 crisis in the middle east and north Africa region and to realize the impact and the consequences of this crisis in the region a and for that I did a dynamic analyzing using graphic engineering tool, I relied on figures and graphs to express economic relationships, phenomena and variables such as economic growth, unemployment, inflation and other fluctuations that occurred during the epidemic period (2019-2022) In the MENA region , the comparative approach is also relied upon to highlight the difference between the impact of the crisis on the economies of the world in general and the economies of the Middle East and North Africa region, and with regard to the results of the study, they were obtained using some programs, especially Microsoft Excel

And from this study we reached these results: the corona virus epidemic an intense impact on the economies in Middle East and North Africa and for that some countries in the region were obliged to get help from the international monetary fund as Egypt Jordan Tunisia and Morocco and some countries are still going through negotiations with the fund as Lebanon, Yemen and Libya.

Key words: covid-19, economy crisis, MENA region, inflation...

الملخص باللغة العربية

كان هدف هذه الدراسة هو معرفة دور صندوق النقد الدولي في مواجهة أزمة فيروس كورونا في منطقة الشرق الأوسط وشمال إفريقيا، وإدراك تأثير و نتائج هذه الأزمة في المنطقة، لهذا قمت بتحليل ديناميكي باستخدام الهندسية البيانية، لقد اعتمدت على الأرقام والرسوم البيانية للتعبير عن العلاقات والظواهر و المتغيرات الاقتصادية مثل النمو الاقتصادي والبطالة والتضخم والتقلبات الأخرى التي حدثت خلال فترة الوباء (2019-2022) في منطقة الشرق الأوسط وشمال إفريقيا كما يتم الاعتماد على المنهج المقارن لإبراز الفرق بين تأثير الأزمة على اقتصاديات العالم بصفة عامة وبين اقتصاديات منطقة الشرق الأوسط وشمال إفريقيا، وفيما يخص نتائج الدراسة قد تم الحصول عليها باستخدام بعض البرامج خاصة منها ميكروسوفت إكسل

ومن هذه الدراسة توصلنا إلى هذه النتائج: وباء فيروس كورونا له تأثير شديد على اقتصاديات منطقة الشرق الأوسط وشمال إفريقيا ولهذا اضطرت بعض دول المنطقة للحصول على مساعدة من صندوق النقد الدولي مثل مصر والأردن وتونس والمغرب. ولا تزال بعض الدول تجري مفاوضات مع الصندوق مثل لبنان واليمن وليبيا

الكلمات المفتاحية كورونا 19 الأزمة الاقتصادية منطقة الشرق الأوسط وشمال إفريقيا نسب التضخم

Abstract in French:

Cette étude avait pour but de connaître le rôle du fonds monétaire international contre la crise du covid-19 dans la région du Moyen-Orient et de l'Afrique du nord et de se rendre compte de l'impact et des conséquences de cette crise dans la région a et pour cela j'ai fait une analyse dynamique en utilisant outil d'ingénierie graphique, je me suis appuyé sur des chiffres et des graphiques pour exprimer des relations économiques, des phénomènes et des variables tels que la croissance économique, le chômage, l'inflation et d'autres fluctuations survenues pendant la période épidémique (2019-2022) dans la région MENA.

L'approche comparative est également invoquée pour mettre en évidence la différence entre l'impact de la crise sur les économies du monde en général et les économies de la région du Moyen-Orient et de l'Afrique du Nord, et en ce qui concerne les résultats de l'étude, ils ont été obtenus à l'aide de certains programmes, en particulier Microsoft Excel

Et à partir de cette étude, nous sommes arrivés à ces résultats : l'épidémie de virus corona a eu un impact intense sur les économies du Moyen-Orient et de l'Afrique du Nord et pour cela certains pays de la région ont été obligés d'obtenir l'aide du fonds monétaire international comme l'Égypte, la Jordanie, la Tunisie et le Maroc et certains pays sont encore en négociation avec le fonds comme le Liban, le Yémen et la Libye.

Mots clés: covid-19, crise économique, région MENA, inflation

Les mots clés: covid-19, crise économique, le fond monétaire international

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Abbreviation:

abbreviations	Their definition
Covid-19	coronavirus disease of 2019
GDP	Gross Domestic Product
HDI	Human Developing Index
IATA	The International Air Transport Association
IMF	International Monetary fund
IMFC	International Monetary and Financial Committee
MENA	Middle East and North Africa
OECD	Organization for Economic Cooperation and Development
OPEC	Organization of the Petroleum Exporting Countries
SDR	Special Drawing Rights
UNWTO	United Nations World Tourism Organization
WHO	World Health Organization

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Introduction

Introduction

Introduction

The COVID-19 pandemic is regarded as the most crucial global health issue.

The Catastrophe of the Century and the Greatest Challenge Mankind Has Faced Since Second World War World Health Organization (as WHO 18 April 2020), his current outbreak of COVID-19 has affected over 200 countries in the world.

It has spread rapidly around the world and has improved health, economy and Ecological and social challenges for all mankind coronavirus

The epidemic has severely disrupted the global economy. Almost all countries fight to slow the spread of disease by examining and treating patients, quarantine suspicious persons with contact tracing, limit large gatherings, such as maintaining a full or partial lock down.

COVID-19 (corona virus) is impacting daily life and slowing the global burden work. This pandemic has affected thousands of people COVID-19 is rapidly impacting our daily lives and businesses, disrupting global trade and people's movement

Early detection of disease is critical to curb the spread of the virus; this is because it spreads rapidly from one person to another most countries delay the production of products. Different industries and sectors are affected by the cause of this disease. Including the pharmaceutical industry, solar energy sector, tourism, information and electronics industry and many other sectors The trade impact of the corona virus epidemic in India alone is estimated at about \$348 million, according to a United Nations report on India, as a slowdown in China's manufacturing sector disrupts global trade. , the country ranks among the 15 hardest-hit economies.

Just a few months ago, before this pandemic began, the global economy appeared to be heading for a healthy recovery, trade and political tensions were deemed (not too bad) , growth forecasts were optimistic, and financial markets were optimistic. All bets are now closed. As COVID-19 spreads around the world, it has become clear that it could derail the global economy and poor regions especially and this made economic institutions such as the International Monetary Fund and the International Monetary Fund intervene to help countries face this economic crisis, from here we tend to ask the following problematic: How did the International Monetary Fund response to the repercussions of the economic crisis of Corona pandemic in the MENA region?

The importance and objectives of the study:

The importance of the study lies in identifying the Corona pandemic and its impact on the most important performance indicators of the global economy in general and in the Middle East and North Africa region in particular, by determining statistics of the extent of the damage caused by the pandemic to the economy now.

- This research paper aims to analyze the economic situation in the countries of North Africa and the Middle East, before the pandemic and during the delinquent.

- Standing on the most important measures taken by the International Monetary Fund to limit the spread of its economic consequences.

Reasons for choosing the topic:

I chose this topic for several reasons, including:

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- Because it is in line primarily with our specialization in monetary and banking economy.
- Recognizing that the effects of the crisis accurately, because its impact continues to this day.
- Identifying the most important indicators affected by the crisis.
- Knowledge of the impact, benefit and the role of the International Monetary Fund during this crisis

Problematic: How did the International Monetary Fund response to the repercussions of the economic crisis of Corona pandemic in the MENA region?

Questions:

- What was the effort done by the international monetary fund?
- Which countries was the most helped by the IMF?

The hypothesis:

Main hypothesis: The International Monetary Fund provided loans and financial facilities to some countries in the Middle East and North Africa, which helped these countries in facing the crisis

- The fund provided directives and guidance to these countries.
- Poor countries in the region were helped the most by the IMF.

Research Methodology:

In order to answer the problem posed and prove the validity or denial of the hypotheses, this was adopted

The study is based on the descriptive approach to present the concepts and information related to this field of research on the theoretical side, while on the applied side, the dynamic analytical approach was relied on in interpreting the relationships, extracting and detailing the study on the ground, and the comparative approach was relied upon to justify the difference between the pre-Corona pandemic economy And what follows, and also a comparison of its effect between countries, and with regard to the results of the study, they were obtained using some programs, especially Microsoft Excel.

Research framework:

This research is concerned with studying the role of the International Monetary Fund in confronting the Corona pandemic.

Research limits: In order to answer the problematic topic and reach accurate results, the study was confined within the limits of the approved concepts, time and spatial framework, as follows:

Conceptual Boundaries: This study attempts to link the issue of the global economy and its impact on the economic crisis of the Corona pandemic, and how the International Monetary Fund responded to it.

Spatial boundaries: focusing on some countries from the Middle East and North Africa region.

Time limits: The time aspect of the topic is determined according to the nature of the applied study related to the Corona pandemic period from 2019 to 2022

Previous studies:

There are a group of studies that dealt with the study of the role of the Monetary Fund during the period of the Corona pandemic, but the method and partial study and analysis of the subject differed in it. As for

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the study that I did, it differs in terms of comprehensiveness, as I analyzed almost most of the indicators that were affected by the crisis, as I mentioned the impact of the crisis on most countries East Asia and North Africa, and among the studies that dealt with the study of the role of the International Monetary Fund in facing the Corona pandemic are the following:

- 1- Boujadar Ilham's study entitled "The Role of the International Monetary Fund in supporting countries to confront the repercussions of the Corona virus" is an article in the Journal of Human Sciences of Umm El Bouaghi University volume 9,(2022) This study examines how the Coronavirus has impacted the global economy and identifies the measures taken by the International Monetary Fund to reduce its impact. The study found that the pandemic has caused significant economic losses in all sectors, particularly in the tourism industry. The International Monetary Fund has implemented policies to provide short-term liquidity and emergency financing to member countries, grant debt relief, and support economic policies to address the crisis. However, the effectiveness of these measures depends on their transparency and proper use.
- 2- Dr. Sebach Linda entitled "The repercussions of the Corona pandemic on the economic situation in North African countries, a case study of Algeria and Tunisia" and article in Global Politics Magazine, Volume 7,(2023) this study aimed to analyze the economic conditions of Algeria and Tunisia pre- and post-coronavirus pandemic and analyzed the impact on employment, poverty, consumption, and unemployment. Despite quick actions taken, the pandemic worsened economic vulnerabilities in both countries, which were already facing economic downturns. The study recommended that Algeria diversify income sources and that Tunisia invest in human capital and political stability for economic planning while taking into account the capabilities of the state and its social environment.
- 3- Lamri Khadija, Talha Boukhatem, Hawari Nor Eddine, "The impact of the (Covid-19) pandemic on the most important indicators of the performance of the global economy -Analytical study" an article in Economic Notebooks Journal Volume 12,(2021) this study aims to analyze the effects of the coronavirus pandemic on important global economic indicators and predict how it has temporarily benefited certain areas. It relies on reports from international organizations and target groups for the latest statistics. The study shows that the pandemic has caused a global economic crisis and severely impacted all major economic sectors, leading to a major shock for many people. The conclusion is that the pandemic will continue to affect global economic development in the foreseeable future.
- 4- Imlak Shaikh "Impact of COVID-19 pandemic on the energy markets" Economic Change and Restructuring (2022) this article aims to explain how the COVID-19 pandemic has affected the energy industry, including energy stock markets, futures, and volatility. The article examines how market volatility has been impacted by different stages of the pandemic and indicators of uncertainty related to the virus, such as economic policy uncertainty and infectious disease market volatility. The article also highlights how the WTI crude oil market was particularly affected by the pandemic, experiencing extreme volatility due to the outbreak.
- 5- Gharib, C., Mefteh-Wali, S., Serret, V., & Jabeur, S. B. "Impact of COVID-19 pandemic on crude oil prices: Evidence from Econophysics approach". Resources Policy (2021), this article examines the prices of crude oil, diesel, and gasoline from November 2019 to December 2020. It uses a method called log-periodic power-law singularity (LPPLS) to plot dynamic bubbles and predict when oil prices will crash. The study found that West Texas Light and North Sea Brent crudes experienced significant negative financial bubbles during the COVID-19 pandemic, while petrol and diesel prices were primarily

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influenced by fundamental factors. The results can be useful for investors, policymakers, and energy professionals in the oil market.

Research division:

In order to answer the problematic and the sub-questions, the study was divided into three chapters two theoretical chapters and a practical chapter where the first chapter was devoted to giving an overview of the International Monetary Fund, which in turn included three sections, the first was devoted to defining what the International Monetary Fund is, as for the second section, it was devoted to "the mechanism of the work of the International Monetary Fund, and the third topic came to assess the role of the International Monetary Fund during crises

The second chapter was devoted to express the economic crisis of the Corona pandemic, as it included three sections. The first section was "the impact of the crisis on the tourism sector and transportation. The second section was devoted to the impact of the crisis on financial markets, and the third section was about to the impact of the crisis on unemployment and inflation rates.

As for the third chapter, it was devoted to applied study in order to know the role of the International Monetary Fund in confronting the Corona pandemic. In turn, it included three sections as well. The first section included the division of the economies of the Middle East and North Africa, the second section was devoted to analyzing the impact of the crisis on these economies, and the third section represented the International Monetary Fund's response to this crisis

Chapter I: An overview of the International Monetary Fund

The International Monetary Fund (IMF) plays a significant role in the global economy by promoting international monetary cooperation, facilitating international trade, and fostering economic growth and stability. The IMF provides financial assistance to member countries experiencing economic difficulties, while also providing policy advice and technical assistance to help countries achieve economic stability and growth. The organization's efforts help to promote a more stable and prosperous global economy to know more about this topic we divided this chapter to three section which are:

The first section: was a detailed definition of the fund I talked about its origins, Bretton Woods Monetary System, I also mentioned its main function and its Structure.

The second section: was about the mechanism of work in the IMF like Voting, resources of the IMF and it financial assistance.

The third section: was an evaluation of the role of the IMF so I talked about the effects of IMF loan conditions on poverty in the developing world and movements of the International Monetary Fund in the 2008 crisis.

1 Section1: Definition of the international monetary fund

The International Monetary Fund (IMF) is an organization that promotes international monetary cooperation, facilitates international trade, and promotes sustainable economic growth and stability to know more about this topic we will study in this section the definition of the international monetary fund and for that we divided this section into three parts

First part: Origins.

Second part: Main function.

Third part: The IMF's Organizational Structure.

1.1 Origins:

introduction During the Great Depression (1929-1933) chaos and turmoil prevailed in economic relations International, as many countries resorted to imposing restrictions and erecting barriers on foreign trade, as well Many of them resorted to the policy of devaluing the currency, with the aim of reviving their foreign trade, advancing their economies, and getting out of the crisis. However, these practices caused a decline in the growth rate of international trade, and affected the movement of international capital, which negatively affected growth rates, employment, and living standards in these countries. These losses and unrest were exacerbated by the outbreak of World War II, which killed many it caused economic devastation in many countries of the world. In order to overcome this devastation, and avoid falling into economic chaos similar to the chaos of the 1930s, a conference was held in 1944 in the United States of America in the Bretton Woods suburb of New Hampshire, in the presence of representatives of 44 countries in order to design a new international economic system with its three pillars (monetary, financial, and commercial). Corrects the economic chaos that occurred in the period between the two world wars, and prevent the repetition of the mistakes that occurred during that period and prevents the recurrence of the mistakes that occurred in that period, and addresses the devastation caused by the war. And quickly the results of the discussions of this conference were the two Bretton Woods institutions: the International Monetary Fund and the International Bank for Reconstruction Management and reconstruction of the international economic system for the post-war period What happened in the discussions of this conference are the two Bretton Woods institutions: the International Monetary Fund and the International Bank for Reconstruction and reconstruction to manage the international economic system for the post-war period. The main task of the International Monetary Fund, according to the

Bretton Woods conference, was to manage and supervise the new international monetary system that was called the Bretton Woods system by encouraging countries to eliminate restrictions imposed on exchange rates and work to ensure the stability of exchange rates and help its member countries facing problems in their balance of payments. However, during the past seven decades, tremendous changes occurred in the global monetary and financial system, and the world faced severe financial crises and new developments that prompted the International Monetary Fund to explore new arenas and to assume new roles that were not included in the original functions specified in its founding charter. The most severe of these was the global financial crisis of 2008, which turned into the worst global economic imbalance since the Great Depression of 1929. The International Monetary Fund was subjected to a wave of criticism, and calls for radical reforms rose. In response to these calls, summits of G20 leaders were held during the crisis period Washington Summit (November 2008), London Summit (April 2009), Pittsburgh Summit (September 2009). These summits put the International Monetary Fund back on center stage and handed it the lead in restoring money Global financial stability, and stressed the need for changes and reforms to strengthen it and enhance its capacity to play its new role in the post-crisis global financial system)Jaafar(2020 ‘

The Bretton Woods Monetary System:

From 1946 to 1971, the IMF's primary regulatory objective was that IMF member countries Adherence to nominal exchange rates. This was a two-tier monetary regime involving gold and the US dollar. Each IMF member government could define the value of its currency in gold or US dollars. The US government has agreed to support a fixed value of gold equivalent to 1 ounce of gold (\$35). Unlike in the classical gold standard era (1880-1914), monetary policy was not strictly limited by a country's gold reserves.

Member states were allowed to intervene in the foreign exchange market, but had to keep the exchange rate within 1.5% of the declared par value. Countries received short-term financial assistance from the IMF when their currencies (other than the US dollar) came under pressure from short-term "balance of payments" imbalances normally caused by international trade and financial transactions. A country can devalue (or revalue) its currency if its currency peg is deemed to be fundamentally off. The Bretton Woods monetary system provides peg-limited currency independence, combining exchange rate stability, a major advantage of the 19th-century gold standard, with some of the floating exchange rate advantages, primarily independence and pursued a domestic economic policy of full employment.

The balance of payments is a record of international transactions with individuals, businesses, and government agencies of a country. It represents the sum of purely financial transactions (equity accounts) and transactions arising from imports and exports of goods and services (performance accounts) and other unilateral transfers (such as gifts and remittances). The country's current account balance must equal the sum of the capital account and any unilateral transfers. A current account deficit occurs when a country spends more goods and services abroad than it receives. A deficit or deficit can be met by selling assets or borrowing, with an influx of private capital (capital surplus) to the deficit country. However, when private sources are unable to cover the current account deficit, the country must raise funds through the sale of foreign currency (public reserves), known as the balance of payments deficit. Governments should operate pending exchange schemes. However, under a fixed exchange rate regime, countries cannot change the value of their exchange rates, so they can use their foreign exchange reserves to cover their balance of payments deficits, while their currencies remain in value. Countries that do not have sufficient foreign exchange reserves to cover their current account deficits can seek financial assistance from the IMF.

The first major challenge to the postwar international monetary system came in the early 1960s.

The expansion of international trade and economic growth after the war required increased international liquidity. H. Increased central bank holdings of the two most important international monetary reserves, gold and the US dollar. Growth in international reserves was hampered as gold reserves growth slowed as the European economic recovery progressed favorably. As early as 1960, world foreign dollar holdings exceeded US gold holdings (\$35 an ounce). This system could work as long as countries are willing to settle their balance of payments in US dollars rather than gold. The international community's response was the creation of a new international reserve currency, the Special Drawing Right (SDR). The SDR also serves as the unit of account for the IMF. The SDR was originally defined as equivalent to 0.888671 grams of pure gold, but after the collapse of the Bretton Woods regime of fixed exchange rates in 1973, the value of the SDR was changed to a basket of international currencies. The value of the SDR is determined by summing the value of the US dollar based on the market exchange rate of a basket of major currencies (US dollar, euro, Japanese yen, British pound, and Chinese Yuan). The SDR currency value is calculated daily and the valuation basket is reviewed and adjusted every five years. On March 9, 2018, \$1.00 equated to an SDR of 0.69 by 1970, and the US' large and persistent balance of payments deficit was mirrored by large balance of payments surpluses in other major developed economies. As a result, much of the 1960s saw liberalized capital flows lead to repeated currency crises in the so-called "fixed" exchange rate Bretton Woods's regime, eroding confidence in the US dollar and increasingly reluctant foreign central banks. It was characterized by significant currency instability as it became a holder of the dollar, it began exchanging its dollar reserves for US gold holdings. After several years of instability, the Bretton Woods regime of fixed exchange rates finally collapsed in March 1973 when the

United States cut the link between the dollar and the US dollar, allowing the value of that currency to be determined by market forces (the United States Congress, 2022)

Definition of the IMF

Definition of the International Monetary Fund It is an international organization specialized in the field of international economic cooperation without political, established under an agreement It is an intergovernmental organization in 1945, as it is an intergovernmental organization and an agency of the United Nations. It enjoys international character, as membership in it does not require that the state be a member of the United Nations. (Souhair, 2019)

The International Monetary Fund is one of the three main arms of the structure of the international economic system, as this fund was established along with the International Bank for Reconstruction and Development and the World Trade Organization (For the people Faleh & Nisreen, 2018)

The IMF is an independent international organization. It is a cooperative of 185 member countries whose purpose is to promote global economic stability and growth. A member state is a shareholder of the cooperative and contributes his IMF capital through a quota subscription (box 1.1 and appendix). In return, the IMF provides member countries with advice on macroeconomic policy, financing when their balance of payments deteriorates, and technical assistance and training to improve national economic governance.

The IMF is one of several self-governing bodies that the United Nations (UN) calls "specialized agencies" with which it has established partnerships. The IMF is a permanent observer of the United Nations.

The charter that established the IMF and governed its operations was adopted at the United Nations Monetary and Financial Conference in Bretton Woods, New Hampshire on July 22, 1944 and came into force on December 27, 1945.

Article 1 The IMF's mandate is defined as follows:

- Promoting international monetary cooperation through permanent institutions it provides a mechanism for consultation and cooperation on international monetary issues.
- To promote and encourage the expansion and balanced growth of international trade, contribute to the promotion and maintenance of high standards of employment, real Income and Economic Development productive resources of all members as the main goal of economic policy.
- Shorten the duration and scale of imbalances at the international level member`s payment balance.

This mandate gives the IMF a unique character as an international monetary institution with overall oversight responsibility for the proper functioning and development of the international monetary and financial system. (Bernhard & Parmeshwar , 2007).

1.2 Role and Purposes of the IMF:

According to the fund's founding agreement, the fund's objectives are:

- Encouraging international cooperation in the field of monetary policy.
- Facilitating the expansion and growth of foreign trade.
- Work to stabilize exchange rates and help establish a multilateral payment system.
- Strengthening confidence among member countries, and allowing them to use public resources temporarily with sufficient guarantees, so that they can correct imbalances in their balance of payments without resorting to measures harmful to national or international prosperity.
- Work to correct imbalances in the international balance of payments of member states as soon as possible, and without resorting to measures harmful to national or international prosperity

(Ernst, 2016)

- The International Monetary Fund aims to promote international monetary cooperation, balanced growth of international trade, and high levels of employment and real incomes in all Member States. It also aims to maintain stock market stability and avoid competitive stock market devaluations. The IMF supports the establishment of a multilateral payment system and the removal of foreign exchange controls that impede global trade. It provides temporary funds to member countries to address balance of payments deficits without resorting to measures that harm domestic or international prosperity. The IMF also works to reduce the time period and size of member's balance of payments imbalances. Its main activities include lending, monitoring, and capacity-building services, tailored to the unique circumstances of each member country.
- The IMF provides financial assistance to member countries that are experiencing temporary balance of payments problems. This assistance helps these countries stabilize their currencies, rebuild their international reserves, continue paying for imports, and implement policies to solve underlying problems. The IMF also helps poorer members facing balance of payments needs by providing financing on concessional terms. Non concessional loans are provided through various programs
- The IMF offers emergency financial assistance to its members in urgent need through the Rapid Financing Instrument. Low-income countries can borrow from the IMF on favorable terms through the Poverty Reduction and Growth Trust.
- The IMF also oversees the international monetary system and the policies of its member countries through bilateral and multilateral monitoring and peer reviews. This oversight role is important for the world economic situation, financial markets, fiscal developments, and prospects. The IMF continuously reviews and monitors the international monetary system.

In the wake of the global financial crisis the IMF has embarked on several important initiatives to enhance oversight in a more globalized and interconnected world. Capacity building and other services to IMF member countries include providing technical assistance and external training. Production and dissemination of international statistical information and methods. Establishing standards and norms of international best practice in a number of areas, including timely national economic and financial statistics, monetary and fiscal transparency, financial sector health assessments, and promoting good governance monitoring

In summary, the IMF is more than just a lender. It deals not only with the economic issues of individual member states, but also with the functioning of the international monetary system as a whole. Its activities aim to advance policies and strategies that enable its members to work together to ensure stable

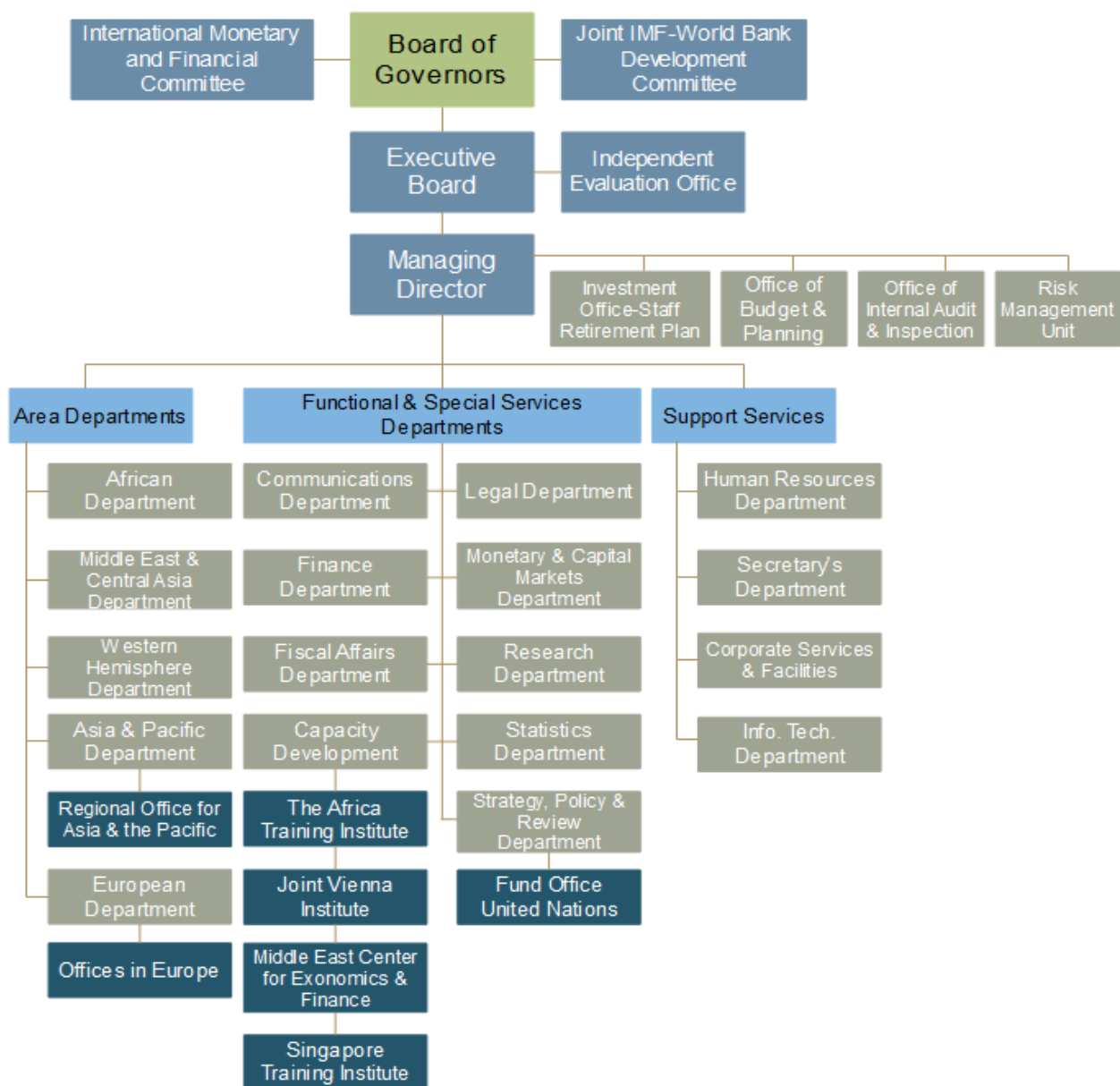
global financial system and sustainable economic growth. The IMF provides a forum for international monetary cooperation, there by achieving the orderly development of the global system and subjecting most international monetary issues to law, moral conviction, and mutual understanding. The IMF must also prepare for financial crises that could not only affect individual member countries but threaten the entire international monetary system all of the IMF's work takes place with decision-making structures that have evolved over time.

(Finance Department,International Monetary fund, 2016).

1.3 The IMF's Organizational Structure:

The Board of Governors (BOG) is the supreme body of the IMF and all countries are Represented by the BOG (usually at Treasury Secretary level or equivalent), The BOG is a committee of the BOG that normally meets each autumn, The Monetary and Financial Commission (IMFC) meets twice a year and makes important decisions, make political issues and recommendations affecting the international monetary system to BOG. The Development Committee, a joint committee of the IMF and World Bank Executive Boards, also meets at the same time to discuss development policy issues and other issues affecting developing countries. The two committees typically publish communiqués summarizing their findings and recommendations at the end of their meetings. They serve as a policy guide for the IMF and the World Bank, pending final action by the Executive Board, and as a means of expressing views and coordinating or harmonizing national policies on issue (Nancy, 2017) (Arabic resources)

International Monetary Fund IMF Org Chart



Source: the International Monetary Fund.

Many people work under the impression that the International Monetary Fund is an institution with great power and great independence, and they assume that it decides the best economic policies for its members to follow, then dictates these decisions to its members, and then makes sure that its members act accordingly. Nothing could be further from the truth than that statement. In addition to being not dictated by the fund, the members themselves dictate to the fund the policies they follow. There is a clear chain of command from member country governments to the fund and not the other way around. When determining the obligations of individual members before the Fund, or when finalizing the details of loan agreements with a member, the IMF does not act out of thin air, but rather as an intermediary between the will of the majority of all members and this member country

The Board of Governors is the highest link in the chain of authority and consists of a governor from each member state and 156 alternate governors. Since governors and their alternates are finance ministers or central bank governors, they formally speak for their governments. The Interim Committee is concerned with providing advice on the management of the international monetary system, and the Development

Committee provides advice on the special needs of the poorest countries. In view of the preoccupation of the governors and their alternates with the continuous work in their countries, they do not meet together except in the annual meetings to deal with the affairs of the fund formally and as one group

During the rest of the year, conservatives convey the wishes of their governments into the day-to-day work of the IMF through their representatives, who make up the IMF's Executive Board, which is headquartered in Washington. The 22 Executive Directors, who meet in formal sessions at least three times a week, oversee the implementation of policies set by member governments through the Board of Governors. At present, seven executive directors represent single countries - China, France, Germany, Japan, Saudi Arabia, the United Kingdom and the United States. The other 15 executive directors each represent a bloc of the remaining 149 countries. The Executive Board rarely takes its decisions on the basis of a formal vote, but depends on achieving consensus among its members, a procedure that reduces the potential for confrontation on sensitive issues and enhances agreement on decisions reached

The IMF has a staff of about 2,000 people, headed by the managing director, who is also the chairman of the executive board that he chooses. It was customary for the managing director to be a European person, or at least a non-American person. (It is also customary for the president of the World Bank to be an American). The international body of staff is drawn from nearly 100 countries and is made up primarily of economists as well as statisticians, research scholars, experts in public finance and taxation, linguists, clerks and domestic workers. Staff members at the Fund's headquarters in Washington work with them, although a few go to smaller offices in Paris and Geneva and to the United Nations in New York or represent the Fund on temporary missions in member countries. Unlike the executive directors, who represent specific countries, the members of the staff are international officials, which means that they take care of the affairs of the member states as a whole when implementing the Fund's policies, and do not represent the national interests of their countries (Yusuf, 2012)(Arabic resources)

1 Section2: Mechanisms of work of the IMF

1.1 The IMF resources:

The main source of the Fund's resources comes from quota (capital) subscriptions, which countries pay upon joining the Fund, or following periodic reviews in which quotas are increased. Countries pay (20%) of their quota contributions in special drawing rights, or in one of the major currencies such as the US dollar or the Japanese yen, and determining the quotas is not only the required subscription payments from the member country, but also the number of its votes, the amount of funding available to it from the fund and its share of the drawing rights allocations Private. The aim of quotas in general is to serve as a mirror of the member country's relative size in the global economy. The larger the member's economy in terms of output, the greater the breadth and diversity of its trade, the greater its share in the fund. The United States of America, the largest economy in the world, contributes the largest share to the International Monetary Fund, with its share (17.6%) of the total shares. The stakes in the International Monetary Fund (IMF) increased (for the first time since 1990) by approximately (45%) to reach (212) billion Special Drawing Rights (SDRs), up to (290) billion US dollars In addition, the International Monetary Fund's holdings of gold amount to about (90.5) million ounces by weight Troisi (2,814.1 metric tons), making the fund the third largest official holder of gold in the world (Dalia & Hussein, 2016)(Arabic resources)

Member shares:

Chapter I: An overview of the International Monetary Fund

The member countries of the International Monetary Fund contribute a certain share, on the basis of which the following is determined:

- Each country's subscription to the fund
- The voting power of each country
- Possibility to use the fund's resources (drawing rights) Members used to pay 75 percent in the national currency and 25 percent of the remaining share in gold, and it was amended later, and the member country became paying 75 percent in the national currency and 25 percent in convertible and usable currency determine member quotas.

There have been adjustments and increases in the quotas of almost all members

Calculate the value of the SDR The value of the SDR unit is linked to the value of five basic currencies that make up the evaluation basket, which are the US dollar, the British pound, the Japanese yen, the German mark, and the French franc. For the German mark, 17% for the Japanese yen, 11% for each of the French franc and the pound sterling. These percentages are determined according to the relative importance of these currencies in foreign trade in view of the value of the exports of the members of the fund, as well as the reserve balances of those currencies that the member states of the fund kept during a certain variable period Accordingly, the International Monetary Fund calculates the value of the Special Drawing Right unit, denominated in US dollars, on a daily basis, based on the five-currency evaluation basket. In the following table, we will show how the drawing right unit is calculated

Table 1-1: The value of the SDR

Rating basket coins	Coin amount (1)	Coins amount (2)	Coins amount (3)
German mark	0.4460	1.48450	0.300438
French franc	08130	5.07500	0.160191
Japanese Yen	27.2000	108.35000	0.251038
Sterling pound	0.01050	1.51820	0.162561
U.S. dollar	0.01050	1.00000	0.582000
SDR unit			1.456234

Source: The impact of the International Monetary Fund and international economic organizations on the decisions of countries.

The Special Drawing Rights unit is 1.456234 US dollars One dollar = 0.6867 special drawing rights Column (1) represents the amount of currencies making up the basket of all Special Drawing Rights Column (2) represents the exchange rates for units against the dollar, except for the pound sterling, which is exchanged by the number of dollars against the pound sterling Column (3) corresponding in US dollars to the amounts of the operation in column (1) the weight price in column (2) Which column (1) is divided by column (2)

The effect of shares on the voting power in the fund The size of the share, which is determined on the basis of the economic period of the member country represented by the size of its economy, is considered the most important element that highlights that country's financial, regulatory and influential relationship with the fund, and on the basis of which its voting power is calculated. Each member has 250 eligible votes plus one vote for every 100,000 drawing rights units. Especially, and from here we find that the strong countries are dominant over the Fund and its policies, and that developing countries with weak economies have no weight, as they are just dependent on their decisions

countries acquire more than 39% of the shares and votes, namely America 17%, Japan, France, Germany and Britain 22%, and if we add another group of European Union countries, we find that 12 countries acquire more than 52% of the votes and shares in When the rest of the 178 countries have only less than 48 of the quotas and votes, and this situation makes the fund a mere institution in the service of the powerful, dominant countries. Therefore, its strategies and reforms are inspired by the reality of the crises of developed countries within the framework of a new wave of liberal globalization and re-establishment. Production of dependency and identifying its mechanisms

Borrowing:

Borrowing is considered one of the complementary sources to the main resource represented by shares for members, which the fund resorts to in the event of increasing pressures on the liquidity available to it. And the Fund resorted to this source starting in 1962, and then organized the process of resorting to borrowing over time, as the Executive Council approved in January 1982 the guidelines for borrowing that set the nature, conditions and limits of borrowing (Yusuf, 2012)

1.2 Voting and Influence at the IMF:

The IMF's Executive Board or Board of Governors can approve loans, policy decisions, and many other matters by simple majority vote. However, approval of major IMF decisions requires a majority vote. Depending on the issue, a majority he may need 70% or 85% of the vote. A70% majority is required to resolve financial and operational issues such as interest rates on IMF loans and SDR holding rates. Major decisions such as approving new members, increasing quotas, allocating the SDR and amending the IMF Charter require an 85% majority. With 16.52% of the vote, the United States (Table 1-2) is the only country that can unilaterally veto important IMF decisions (i.e. decisions that require an 85% majority). The United States exercises considerable informal authority within the IMF due to its high quota share and the IMF's headquarters being in Washington, DC. The IMF's position is to address systemic issues without implicit, if not explicit, endorsement.US and other her G-7 (congressional research service, 2022)

Table 1-2: IMF Members with Largest Quota and Voting Shares
(as of March 16, 2018”)

Member	Quota share (percentage)	Votingshare (percentage)
United States	17.46	16.52
Japan	6.48	6.15
China	6.41	6.09
Germany	5.60	5.32
France	4.24	4.03
United Kingdom	4.24	4.03
Italy	3.17	3.02
Russia	2.71	2.59
Canada	2.32	2.22
Saudi Arabia	2.10	2.02

Source: International Monetary Fund.

1.3 Forms of aid:

A-financial aid: The International Monetary Fund provides members with a variety of financial assistance and disparities according to the nature and value of the reservation in the balance of payments and the degree of commitment to policies and procedures that aim to mitigate the severity of financial and economic turmoil according to the vision of the Fund’s sanction

One of the most important is financial aid:

- 1- Backup slide: It is the amount of increase in the member’s share when the fund’s holdings of its currency in the public resources account, with the exception of the holdings resulting from purchases and borrowing operations carried out by that country within the framework of various policies for the use of the fund’s resources. A need related to the balance of payments. This withdrawal is not subject to the applicable economic policies, fees are not imposed on it, and it is not a use of the fund’s resources, and the country concerned can use it freely
- 2- Credit slides: This policy is considered one of the most important policies for the use of the Fund’s resources, as credit is provided in four tranches, the amount of each tranche equaling 25 percent of the member country’s share. The credit assistance provided within the framework of the credit segments can be divided into:

A-The first credit tranche, and the borrowing process takes place within the framework of the first credit tranche, estimated at 25% of the share of the member country, after that country shows that it is making significant efforts in the approved reforms to mitigate the balance of payments deficit

during the duration of the program. Usually, the withdrawn amounts (repurchases) are paid over a period of three to five years

B-The upper credit classes The rest of the remaining credit tranches are provided in the event that the member country is committed to implementing a specific program agreed upon with a fund that is deemed to be a sound and reasonable program that falls within the framework of general policies withdrawn over a period of three to five years

2- Financing facilities:

- A- The Extended Financing Facility (EFF): This facility is used by the country with balance of payments problems As a result of structural imbalances in the areas of production, trade and prices, which makes it difficult for those countries to continue applying credit policies. And the reforms that the International Monetary Fund confirms its implementation, and makes the country on Credit, as this facility enables to obtain 68% of the share annually And more than 30% of his stake cumulatively over three or four years Sometimes, the country that obtains those resources (purchases in their local currency) By buying back (for his currency) in 12 semi-annual installments Over a repayment period ranging from four and a half years to 10 years if The resources were public, and if the resources were associated, he would pay in installments credit over a period of three and a half to seven years. One of the prerequisites required to benefit from this extended financing is to apply The country is undertaking a comprehensive medium-term program to mitigate structural imbalances In the program, in addition to a detailed program for the first year and then for each subsequent year Annual goals and the policies to be implemented and the actions to be taken. The state is fully subject to the supervision, follow-up and guidance of experts The International Monetary Fund, knowing that this financing was established in September 1974
- B- Enhanced Structural Adjustment Facility: SAF Within the framework of this financing facility, resources are provided on the terms of the countries' behavior Low-income members facing permanent disability problems in the balance of Payments to support medium-term programs for macro and structural remediation In order to claim the resources of this facility, the member shall assist the Fund's experts Preparing a document that represents the general policy framework and within which the general lines are defined A medium-term structural correction program covering a period of three years - Detailed annual programs before the financing facility is disbursed and used Four annual standards for evaluating compliance with the fund's conditionality and performance Programs Usually, the supported member gets a slice per year The first takes 15% of his share, followed by two credit tranches in the second year And the third is the amount of each of them 20% of his right to pardon. The SAF was established in March 1986 to provide assistance to countries Low-income countries that suffer from imbalances in the balance of payments with conditions The interest rate on these loans is 0.5%, and the obligation is paid on Ten equal installments every half year over a period ranging between five and a half years and ten years
- C- for structural correction -EASF- The International Monetary Fund provides financing facilities to the poorest countries that comply It is working on implementing programs to correct structural imbalances in order to improve the balance of payments situation The Fund approved this enhanced financing facility in December 1987 It is not different from the structural adjustment financing facility in terms of objectives Conditions and characteristics Perhaps the basic differences lie in the organizing provisions The possibility of using resources, their size, the method of monitoring and evaluation, and the method of financing We say that the enhanced

facility is allocated to the poorest countries, the volume of resources Within its framework, it reaches a maximum of 190% of its share for the duration of the programs estimated at 3 years, and it may sometimes reach 299% in exceptional cases, and it is usually paid The loans of this facility are on an annual basis and the due amounts are repaid within a period It extends from five and a half years to 10 years, and the number of countries classified within Members eligible for this facility are currently more than 70 of the poorest developing countries.

- D- The Compensatory and Emergency Financing Facility (CCFF). The Member States that face a deficit in their balance of payments as a result Temporary decline in its export earnings due to temporary external factors for her inner control, she can get help under this facility. The amount of financing available to the member country is 30% of its quota if the deficit is linked to a decline in export earnings or some external emergency, and 15% of the quota if the effect is due to the higher costs of grain imports, and may Completion of alleviating the severity of the previous two effects for another 20% of the share. And if the country has committed itself to a program with the International Monetary Fund, it can Obtaining financing related to those emergencies associated with the implementation of the program and so on Other elements related to low export earnings and high costs Grain imports make the maximum financing to about 95% of the share member country. The repayment begins after three years and three months and ends after 5 years In cases where the balance of payments situation improves for countries that have benefited from financing, they buy back to settle their situation before the specified period. Ali several modifications and It was merged in August 1988 with emergency funding
- E- The financing facility for the transformation of economic systems: This facility was established in 1993 to assist Member States suffering from: Difficulties in the balance of payments resulting from the transition from the socialist system to the liberal system, and the countries eligible to benefit from this credit resource are the former socialist countries or the countries associated with this group, and these countries provide radical financing for the transition to the liberal system. The Fund is to ensure that the member will, as soon as possible, begin to adopt policies and implement the structural and institutional reforms necessary to create the conditions for Economics and economics concerned with economic policy within the framework of the market The available resources within the framework of this facility amount to about 50% of the member country's entitlement, and the repayment of the loan begins after 4 and a half to 10 years, knowing that this facility is temporary
- F- The two reserve stock financing facilities: The Member States that contribute to the financing of the reserve stock of products In a way that helps mitigate fluctuations in the prices of its exports Which is reflected in reducing the variability of exports Financing aid to face the balance of payments situation associated with the contribution to International reserve stocks are equivalent to 35% of the member country's quota. The Fund has used its resources in connection with the reserve stocks of Export Cocoa, natural rubber and sugar (Yusuf, 2012)

2 Section 3: Evaluation of the role of the IMF

2.1 The effects of IMF loan conditions on poverty in the developing world

Even though the International Monetary Fund claims to be about poverty alleviation, one of its goals, according to several studies, it seems that the IMF borrowers experience: higher poverty rates, this study examines the impact of IMF loan condition on poverty, using a sample of 81 developing countries from 1986 to 2016.

The IMF's impact on the development of developing countries is becoming increasingly important. Note that a lot of interest has been attributed to it since the 1980s. The debt crisis and capital shortage have increased demand for IMF services. The growing demand for IMF resources has also sparked debate about the terms borrowers will agree to in his intent letters. Some people argue that loan conditionality programs claim to improve economic growth and income levels for borrowers and promote economic gains for the poorest countries and long-term users of funds, but opponents say the IMF program increases growth rate and delays recovery by years. Some research also shows that policies influence his IMF loan terms. The IMF seems to have responded to this criticism, launching a borrower "ownership" program in the 2000s, but many studies show that IMF lending continues to hurt borrowing countries.

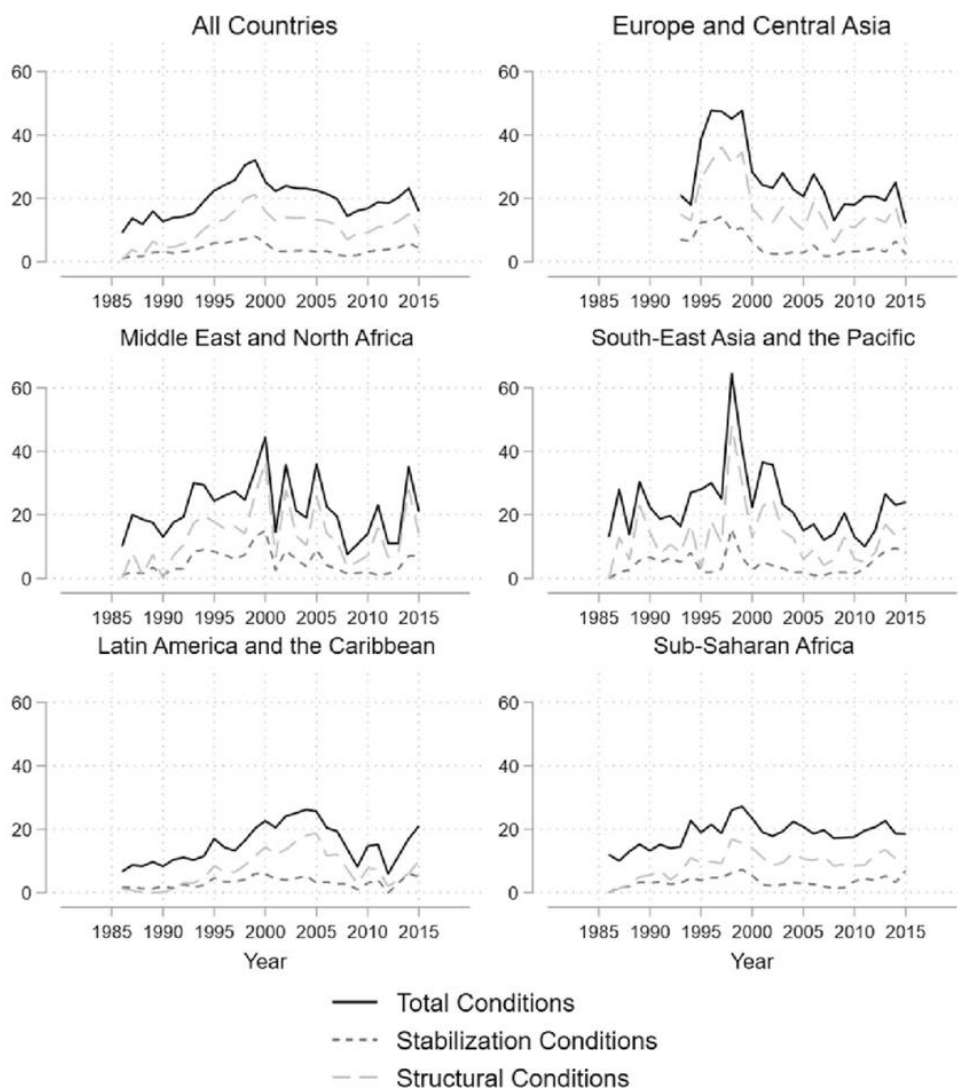
In some studies, IMF lending arrangements Evidence contributing to increased poverty , it shows for example, that participation in IMF programs can worsen income distribution and increase poverty rates, especially among the poor and working class. Similarly, worsening income distributions have been reported, but only in countries with severe external imbalances before the IMF program had a direct impact. (2019) Report on fiscal reform Government spending limits, trade directives, capital account liberalization Also, financial sector reforms and external debt regulation will have a negative impact on distribution. They show that increases in the top decile of income dominate distributional outcomes, while debt-related problems reduce income shares. They also found that structural adjustment measures related to labor market reform reduce access to the health care system and increase the number of newborns death ,our theoretical mechanism linking structural policies and poverty is Impact of reforms on rising unemployment, falling government revenue expansion, social spending), rising costs of basic services, Tax collection, pensions, social security. Considering privatization first, from state-owned enterprises to private companies, leading to and contributing to the dismissal of fired civil servants to rising unemployment and rising poverty rates. Privatization also reduces public services (e.g. water, electricity, etc.) as private companies try to obtain exclusive rents in areas where there are barriers entry, pushing more people into poverty .

Labor reform is also likely to deepen poverty. Previous research has shown that creating a more flexible labor market would make it easier to hire and fire workers and reduce wages for low-skilled workers. Unemployment plays a role in increasing poverty, but lower wages for less skilled workers are also important for those living on the margins. Our labor reform expectations coincide with those of Rickard and Caraway (2019), who find that the IMF public sector facilitates lower public pending on public sector wages, contributing to increase the poverty rate. Additionally, pension and social security reforms also tend to go along with a more flexible work force, again putting the most disadvantaged workers at risk of falling into the ranks of the under privileged poor.

Trade and institutional changes also affect poverty. Trade is receiving much attention, as the shift from production for domestic consumers to the global markets, and competition for subsistence farmers, contribute to job losses, especially for the poor, Unlike the Heckscher-Ohlin model that follows unskilled-

rich countries benefit from trade liberalization and market opening. The lifting of government-subsidized price controls, also associated with trade liberalization, increases costs for all consumers, but price increases disproportionately affect the poor. For example, in Chiapas, Mexico, enforcement of property rights, under a free trade agreement, requires the release of common lands, forcing many people to move to the informal economy, increasing the risk exploit and raising the specter of higher poverty rates. Workers in the informal sector also have less access to social spending and government pension funds, which increases their risk of poverty. (Glen & Ronald, 2022)

Figure 1-2: Different IMF loan conditions across time and disaggregated by region



Source: The effects of IMF loan conditions on poverty in the developing world article.

2.2 Movements of the International Monetary Fund in the face of 2008 crisis:

Definition of mortgage crisis It is that hardship and distress that affected the American mortgage market in the summer of 2007, and its most important indicators were the bursting of the so-called real estate bubble that extended from 2003 to 2006, which reflected negatively on borrowers by mortgaging their properties and accelerated the core of mortgage employees as an asset to cover securitization operations on liquidity through offering real estate in the market, which is More than a significant drop in prices

Chapter I: An overview of the International Monetary Fund

During the past six months, while the global financial crisis moved to developing countries after it swept the developed countries, the International Monetary Fund carried out an unprecedented reform in its policy on low-income countries, culminating in announcing a huge increase in new resources through its innovative lending tools. These efforts resulted a shift in the nature of the relationship between the Fund and its member countries, which continue to strive to overcome the impact of a crisis in which they did not participate. This initiative reflects close consultations with low-income countries and in response to the call of the heads of state of the Group of Twenty, who requested rapid measures at the policy level to meet the needs of the developing world, The Fund's reaction is based on a significant increase in the Fund's loans to low-income countries - a fourfold increase in excesses of historical levels over the past year. In sub-Saharan Africa, the total number of new loans committed by the Fund from January to mid-July 2009 reached \$2.7 billion, compared to \$1.1 billion dollars in 2008 as a whole.

Based on these efforts, the International Monetary Fund announced a number of additional initiatives:

- The Fund agreed to increase its resources available for lending on concessional terms to low-income countries to meet the expected demand for these resources, which amounts to about \$17 billion until the end of 2014.
- Low-income countries will exceptionally receive exemption from all interest payments due to the Fund until the end of 2011 on soft lending tools from the Fund.
- The financial support from the Fund in the future will also include a permanent increase in the facilitation component, with the establishment of a mechanism to update interest rates after 2011.
- Conditionality has been rationalized in IMF programs focusing on core objectives. This flexibility applies particularly to structural reforms. Countries will therefore not need to seek exemption from compliance if they cannot complete those reforms by a specified date.
- This new structure of lending tools for low-income countries strongly reimburses all of these tools for growth and poverty reduction efforts

Increased financial assistance from the Fund has been associated with programs that include higher levels of pro-poor spending in most low-income countries. By adopting these measures, the Fund transformed the nature of its relations with low-income countries and responded immediately to the international consensus on how to act in response to the global crisis

The second section: Fund solutions towards the global financial crisis.

The moves taken by the fund towards the crisis, perhaps the most prominent of which are the following:

First: Establishing a fire house to prevent crises, as the fund significantly increased the available lending capacity of its member countries that were affected by the financial crisis and to help strengthen the global economy and support financial stability. It did this by obtaining pledges to increase membership quota subscriptions paid by member countries.

Second: Increasing lending to face the crisis, as the Fund carried out a comprehensive reform within the framework of public lending so that it would be more appropriate for the reserves of member countries, as it made it more focused on preventing crises and simplified the conditions associated with loans. Since the beginning of the crisis, the Fund has pledged to provide loans to member countries at a value of more than \$300 billion.

Chapter I: An overview of the International Monetary Fund

Third: Helping the poorest countries in the world, as the Fund undertook an unprecedented reform in its policies towards low-income countries and raised the level of facilitated lending to four times what it was in the past

Fourth: Enhancing the Fund's analysis and advice on economic policy, member countries have increased the demand for what the Fund provides in terms of follow-up, forecasting and advice on economic policy, which is based on a global perspective and is guided by the experience gained from previous crises.

Fifth: reforming the government system in the fund in the context of working to strengthen the legitimacy of the fund, the members agreed in November 2010 to carry out wide-ranging reforms in the governance system in order to accurately reflect the growing importance of emerging market countries. These reforms ensure that developing countries retain their influence in the fund. (Belhaj & Ttoun, 2021) (Arabic resources).

Conclusion

The International Monetary Fund is an international organization established in 1944 to promote international monetary cooperation and provide a framework for international economic relations. The IMF provides financially distressed member countries with loans that help stabilize their economies in exchange for political reforms and economic adjustments. The IMF also provides policy advice and technical assistance to member countries to help them formulate and implement sound economic policies.

Many countries, both developing and developed, have borrowed from the International Monetary Fund for many years. Borrowing from the IMF can be beneficial for countries facing economic hardship, but it is not always a good idea and there are instances where borrowing from the IMF has negative consequences for the country. . But the IMF has also helped many countries recover from economic crises and implement sound economic policies.

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pandemic

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Corona or Covid-19 is turning point in the history of all mankind marks not only its danger but also its devastating impact on economic, social, and political levels. The risk of epidemics and diseases exists everywhere in the world. Many questions and issues have been raised over the centuries, but the COVID-19 pandemic has directly impacted international human, economic, and political transactions. Quarantines, social distancing and travel bans will have a negative impact on the economy as the economy is in a state of deep stagnation and sudden recession, causing an unforeseen global economic crisis.

The COVID-19 crisis began as a health crisis, but quickly turned into an economic crisis due to measures taken to slow the spread of the virus. Many countries have implemented strict lockdowns and social distancing measures to prevent the spread of COVID-19, which has had a major impact on economic activity. Businesses were forced to close, supply chains were disrupted, and many people lost their jobs in many countries, this has led to a sharp decline in economic growth and a large increase in unemployment.

Pandemics can affect economic performance either by creating uncertainty about the future or indirectly through containment measures. The outbreak of the pandemic has increased anxiety among key economic players such as producers, consumers and investors. Uncertainty is known to lead to lower economic growth and strained fiscal conditions, as studies shows (Suadiq & Gamze, 2021)

Therefore we talked about the impact of this issue “the covid-19 crisis impact on the world’s economy” in three sections:

First section: the impact of the crisis on energy markets (stocks, bonds and oil prices)

Second section: the impact of the crisis on tourism and transportation

Third section: the impact of the crisis on unemployment and inflation

1 Section1: the impact of the crisis on financial markets

1.1 The effect of covid-19 on stocks:

Stock market reaction

Financial markets around the world have generally embraced the earliest developments of COVID-19. This appears to be at least partly because until February 21st, market participants had little idea of how serious the public health crisis could get.

But that changed over the weekend of February 22-23. The number of confirmed cases increased in Japan, South Korea, Iran and Italy, which has imposed strict quarantine and social distancing requirements in some areas. Many countries have imposed restrictions on incoming passengers as concerns grow that the virus could spread rapidly to other parts of Europe.

In light of these events, global stock markets began their decline in the third week of February and continued their decline through the third week of March. The overall rate of decline in stock prices varies by country, with Germany and France seeing larger declines overall, and Japan generally falling less.

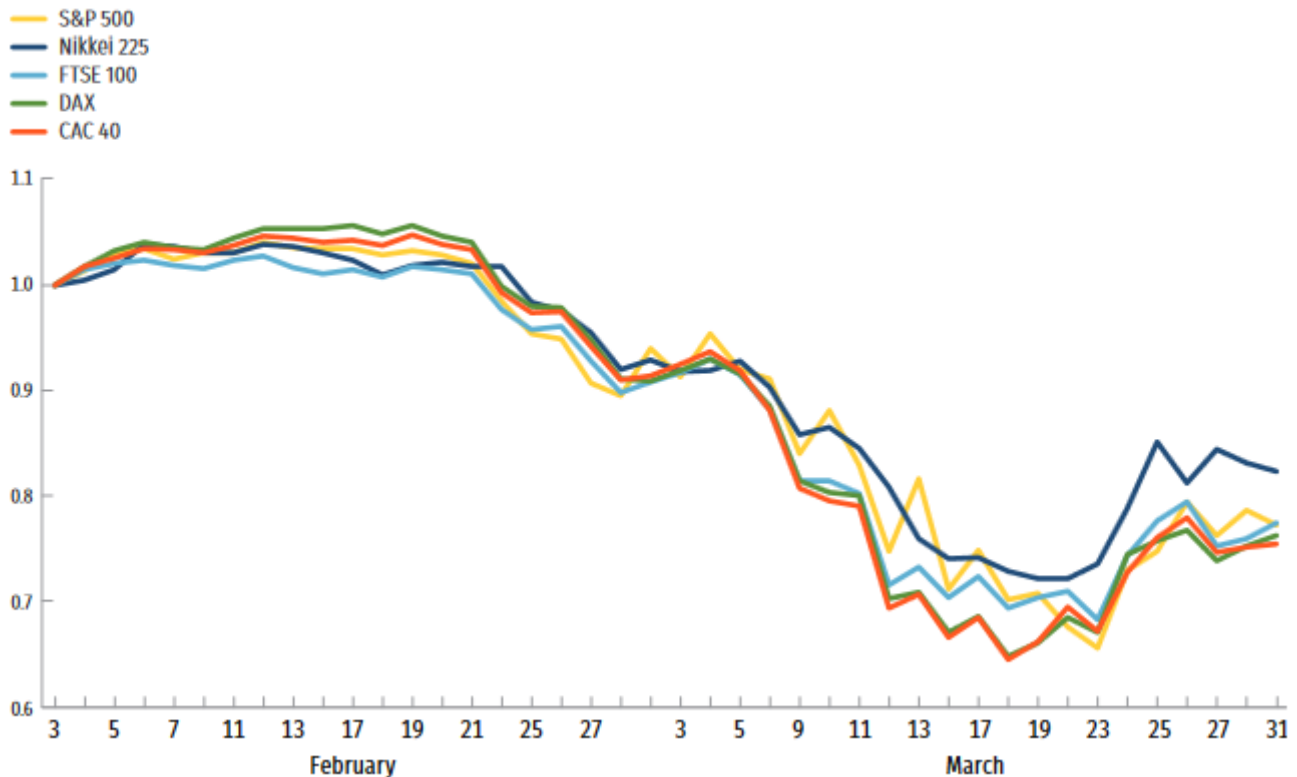
The United States had very few confirmed COVID-19 cases by the end of February. Yet investors believed the virus was likely to disrupt global trade and supply chains. They began to expect the virus to hit the US hard, imposing the same kind of social distancing mandates on US officials that other countries have adopted, which could slow the US economy.

Investor expectations are clear from the data. There is a striking correlation between the S&P500 Index and the US social distancing index. The Social Distancing Index has shifted 15 days to the left, reflecting

Chapter II: The economic crisis of the Corona pandemic

the fact that the market was most likely anticipating mandates and social distancing measures and their impact. The sharp decline in the stock market and its recovery closely follow social distancing measures. This correlation highlights the fact that financial market movements in February and March were driven by concerns about the real side of the economy. This reflects the voluntary measures taken by the public to combat coronavirus at all levels of government and by shutting down large parts US economy. (REPORT OF THE COVID-19 Market Impact Working Group , 2020)

Figure 2-1: World Stock Markets Decline

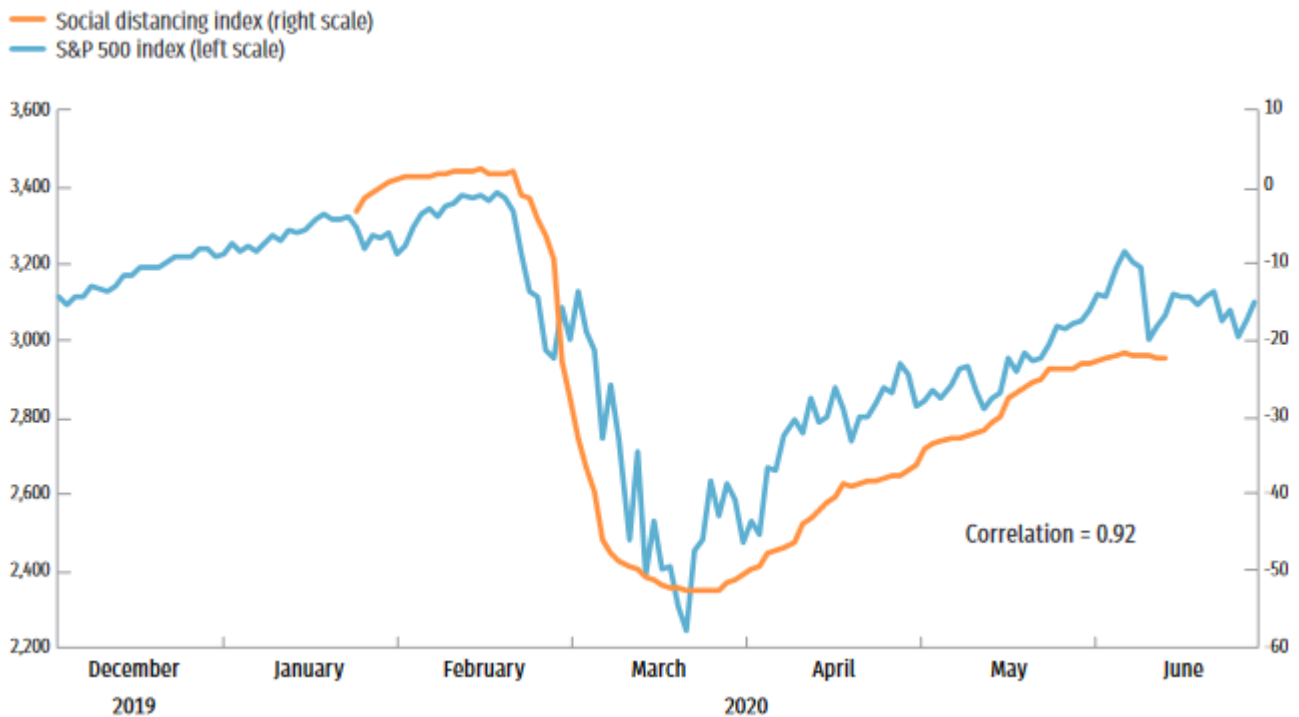


Indexes are scaled to 1.0 on February 3, 2020.

Source: Bloomberg

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Figure 2-2: Expected impact of social distancing on the stock market



The social distancing index is shifted 15 days to the left (i.e. 15 days lead). A “normal” state is represented as a zero value for the index

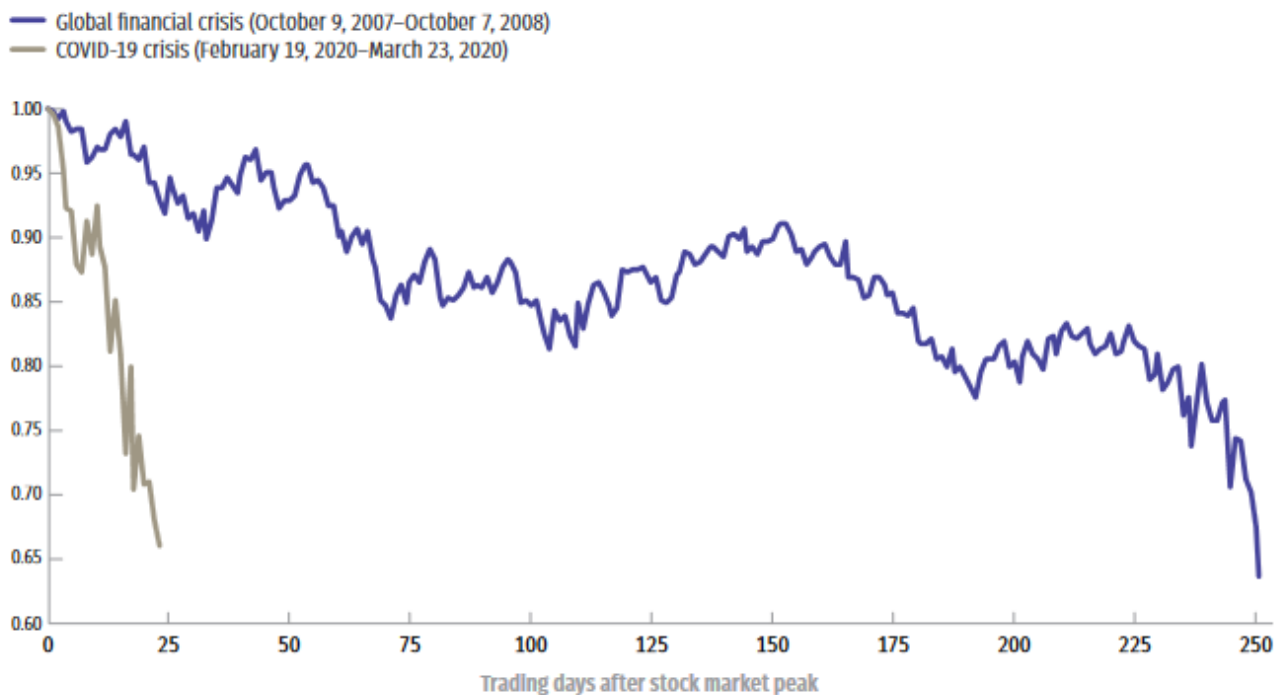
Source: ICI calculations using data from Federal Reserve Bank of St. Louis FRED website and Institute for Health Metrics and Evaluation (IHME), University of Washington.

By historical standards, the decline in the US stock market has been rapid. The S&P500 index hit an all-time high on his February 19th. By the end of February, it had fallen by almost 13%. The index bottomed out on March 23, 34% below its February all-time high. Overall, this sharp decline occurred in just 23 trading days. Incidentally, it took a full year for the S&P500 index to fall during the global financial crisis. It took the S&P 500 index one full year to fall the same amount 34% from its all-time high on October 9, 2007. (REPORT OF THE COVID-19 Market Impact Working Group , 2020)

Us stock market fell sharply during COVID-19 crisis

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Figure 2-3: Comparison between trading days during the covid-19 and the global financial crisis of 2008.



The index is scaled to 1.0 at the stock market peak on October 9, 2007 for the global financial crisis and at the stock market peak for the COVID-19 crisis on February 19, 2020.

Table 2-1: Energy market indices during the crisis.

	Panel A: Full sample 01/31/2011–05/31/2020									
	DJCI	Return	DJUSEN	Return	SPN	Return	DJIA	Return	SPX	Return
Mean	333.37	- 0.04%	596.21	- 0.03%	526.69	- 0.03%	18,871.05	0.03%	2115.72	0.03%
Maximum	515.27	4.21%	855.72	14.87%	737.09	15.11%	29,551.42	10.76%	3386.15	8.97%
Minimum	184.38	- 8.47%	193.83	- 23.18%	179.94	- 22.42%	10,655.30	- 13.84%	1099.23	- 12.77%
Std. Dev.	77.38	0.0090	100.58	0.0167	80.94	0.0164	4939.67	0.0109	564.91	0.0108
Skewness	0.40	- 0.71	- 0.33	- 1.55	- 0.48	- 1.53	0.35	- 0.99	0.13	- 0.91
Kurtosis	1.70	10.00	4.68	29.91	5.25	30.52	1.93	28.95	2.01	22.95
Observations	2390	2390	2390	2390	2390	2390	2390	2390	2390	2390
	Panel B: Pandemic period 12/29/2019–05/31/2020									
	DJCI	Return	DJUSEN	Return	SPN	Return	DJIA	Return	SPX	Return
Mean	235.36	- 0.26%	352.96	- 0.43%	325.68	- 0.42%	25,522.59	- 0.11%	2977.26	- 0.06%
Maximum	289.18	4.21%	505.18	14.87%	462.34	15.11%	29,551.42	10.76%	3386.15	8.97%
Minimum	184.38	- 8.47%	193.83	- 23.18%	179.94	- 22.42%	18,591.93	- 13.84%	2237.40	- 12.77%
Std. Dev.	33.56	0.0188	95.34	0.0485	85.99	0.0483	3007.18	0.0325	300.11	0.0304
Skewness	0.20	- 0.97	0.22	- 1.04	0.21	- 0.97	- 0.14	- 0.50	- 0.38	- 0.54
Kurtosis	1.45	6.74	1.60	8.29	1.61	7.98	1.89	7.25	2.21	6.95
Observations	108	108	108	108	108	108	108	108	108	108

Source: ICI calculations using Bloomberg data

This table shows summary statistics related to energy market indices, commodity indices, and equity market indices. Panel a shows descriptive measures across the sample and panel B shows the duration of

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the pandemic outbreak. First, compare the average returns across all markets. We can see that the energy and commodity markets posted negative returns, while the equity market segment posted positive returns. Both markets posted negative returns during the pandemic session, but the energy market reported the highest negative return. Looking at the index highs and lows during the pandemic crisis, DJSEN had a low of 193.83 and a high of 505.18 with an average reading of 352.96. Similar patterns are seen for other commodity and equity indices. There is a large difference between maximum and minimum values, demonstrating the unprecedented impact of COVID-19. A measure of variance shows that energies and commodities have experienced tremendous volatility compared to the stock market. In addition, the health index also seems to be not normal (Imlak, Impact of COVID-19 pandemic on the energy markets, 2022)

We can summarize the main losses caused by the Corona virus on stocks to:

- On 24/02/2020, the Dow Jones Industrial Average and FTSE 100 fell by more than 03%, and this was followed by a decline in reference indices in Europe, after a sharp decline in all parts of Asia. The DIX, CIC 40 and IPIX35 indices each fell by about 4%
- On 02/27/2021, the SANDAC stock indices recorded the 100, S, P500, and the Dow Jones Industrial Average. On its largest decline since 2008, as the Dow Jones Industrial Average fell 1,191 points, and stock markets around the world announced their largest decline in one week
- On 03/06/2020, stock markets closed all over the world, although the Dow Jones Industrial Average, And the Nasdaq and SB500 group closed in the same week, while the proceeds of the issued securities witnessed For the US treasury for 10 years and 30 years, a decline, to record a new level of 0.7% and 1.26% respectively
- On 03/09/2020, the S&P500 indices fell by 7%, four minutes after opening trading, which led to the launch of the closing auction and trading at the closing price for the first time since the global crisis of 2008. Trading for 15 minutes at the end of trading, the stock markets around the world had witnessed a decline, as the Stoxx Europe 600 indices fell to less than 20% of their maximum level that they witnessed at the time. Earlier in the same year, the Dow Jones Industrial Average recorded a sharp decline of about 2,014 points, which is It constitutes 7.8%
- On 03/12/2020, the Asian/Pacific stock markets closed, with the Nikkei 225 and the Tokyo Stock Exchange indices declining to 20% below the week's peak rate of 52. As for the European financial markets, its indices fell by about 11%, which is the worst decline in one day, while the Dow index fell The Jones Industrial Average fell by an additional 10%, while the Nasdaq group fell by 9.4%. The S&P 500 indices fell to more than 20% from their peak, as this decline activated and stimulated the trading curb on the New York Stock Exchange to trade again that week
- All stock exchanges in the world suffered very large losses similar to or greater than what happened during the major crises in the financial system in the stock market, where the stock markets underwent a real cleansing process. In London, the Fosti index fell by 31%, in Francfonte, the DAX index fell by 37%, and in Brussels, the Pal20 index fell by 41%, and the CAC index lost 4036.5%, and the Brazilian stock market lost 28%. In the Buenos Aires market, it recorded a loss of more than 30%. The Indian stock market lost 25.5%, in South Africa the Johannesburg Stock Exchange lost 35%, the Moscow stock market lost 40%, the BIST 100 index in Turkey fell by 28%, and in Tokyo the Nikkei index lost 28% in Hong Kong, the Seng Hang index lost 21% in Sydney, the Australian stock market lost 26%. (Ben Taiba & Ammari, 2022) (Arabic resource)

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1.2 Part2: The impact of the crisis on bonds

In early March, asset prices, including investment-grade corporate bond prices, began to behave differently than usual amid growing concerns about the impact of the pandemic on economic activity. Stock prices fell. Government bond prices, far from benefiting from the typical investor flight to safety, have even fallen. Bidask spreads on government bonds have jumped. Corporate bond spreads increased proportionately more in investment grade than in high yield. This is surprising given that high-yield bonds are riskier, less liquid, and generally more sensitive to a deterioration in the economic outlook. Investment-grade transaction costs Bonds rose, matching or out performing trading high-yield bonds

Dysfunction in the corporate bond market prompted the Federal Reserve to intervene aggressively. With the approval of the Secretary of the Treasury, and under Section 13 authority, he established two facilities to support lending to large employers, which he eventually funded with capital from the CARES Act. Procured The Primary Market Corporate Credit Facility (PMCCF) initially offered investment-grade companies new credit for up to four years. The Secondary Market Corporate Credit Facility (SMCCF) has proposed to purchase corporate bonds on the secondary market. PMCCF can be viewed as a natural extension of the Commercial Paper Funding Facility, which was launched in 2008 and reopened on March 17th. But buying corporate bonds on the secondary market is unprecedented. Instead of funding the company directly, he bought the bond and gave it a markup, allowing the company to issue new bonds to his PMCCF (or market) without significant discounts due to market dysfunction. (Liang, 2020)

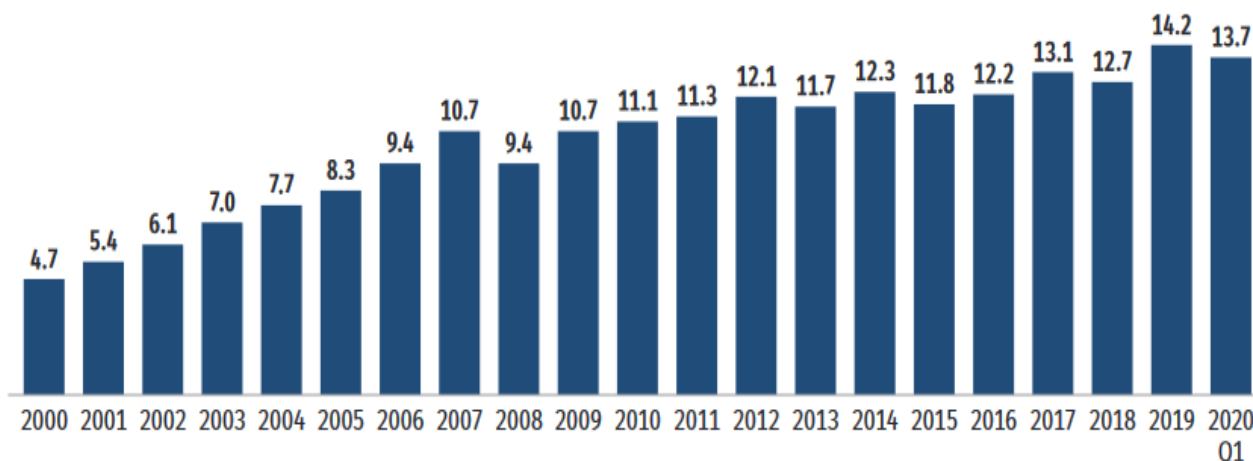
Corporate bond yields rose in March to levels not seen since 2008-2009. Yields rose (and prices fell) across the credit spectrum as investors sold longer dated bonds to reach the shortest and most liquid part of the yield curve. This is further evidence that March 2020 was a flight in the money amid the great uncertainty created by the virus. Bonds are an important source of long-term funding for companies, along with stocks sales and bank loans. Companies sometimes issue bonds to find specific projects, expand their operations, or find new lines of business.

Rating agencies rate corporate bonds. These ratings typically classify bonds as investment grade or below (also known as high-yield bonds). The rating a bond receives depends on the company's creditworthiness. Companies with the best repayment capacity receive the highest credit ratings and, as a result, can borrow at lower interest rates.

The corporate bond market has grown significantly since the global financial crisis. Corporate debt outstanding increased to \$13.7 trillion through the first quarter of 2020, up from \$11.1 trillion at the end of 2010. This represents an average annual growth rate of 2.1%. However, as you can see from the chart, between 2000 and 2007 (the years before the full-blown global financial crisis erupted), the corporate sector grew even faster, growing at over 12% annually.

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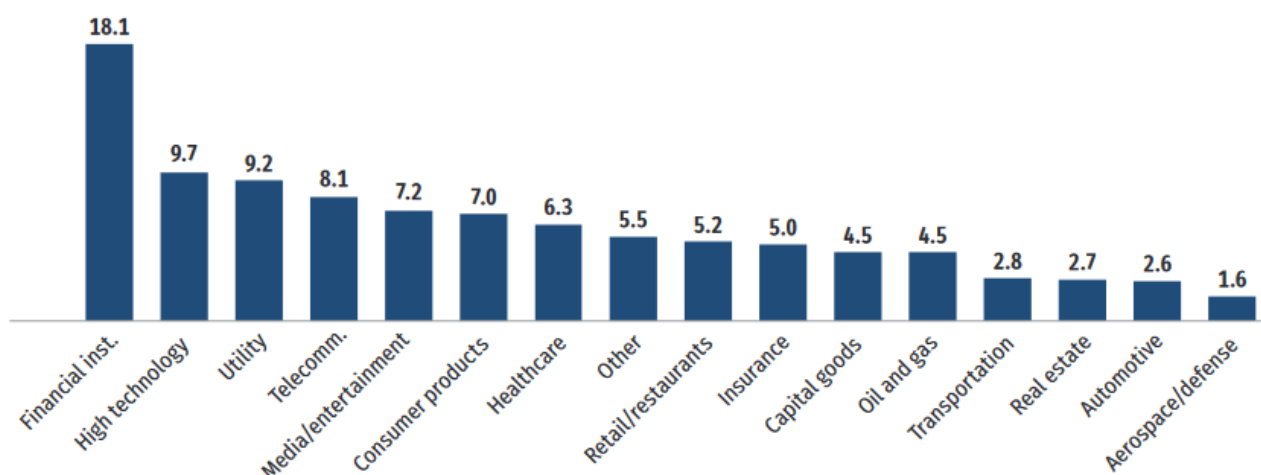
Figure 2-4: The US corporate bond market has expanded since the global financial crisis



Note: this data includes foreign bonds held by US citizens. Data from 2000 to 2019 refer to the end of the year.

Source: Federal Reserve Board

Figure 2-5: Percentage of corporate debt outstanding by selected industry



Source: ICI calculations based on S&P Global data January 2019

Various companies in the United States issue bonds to build capital or inventory, conduct research and development, fund acquisitions, or support their operations. Financials accounted for more than 18% of corporate bond issuance in May 2019, according to S&P Global. The next highest shares were tech companies, utilities, telecommunications companies, media, and entertainment companies; corporate bonds are held by various companies. The household holds corporate bonds directly as well as indirectly through RICs such as money market funds, mutual funds, ETFs, and closed-end funds. Other major holders are banks and merchants, insurance companies, non-U.S. citizens (other countries), and various other entities such as defined benefit pension plans.

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The proportion of US corporate bonds held by various companies has changed since the global financial crisis. For example, many observers note that corporate bonds held by the RIC have increased significantly over this period, from \$1.5 trillion in 2010 to \$2.9 trillion at the end of 2019. Reflects the move from direct to indirect holdings of bonds by individual investors

Through a more efficient and diversified RIC. Total household and RIC corporate bond holdings increased by \$500 billion from 2010 to 2019, but their share of total corporate bonds outstanding fell from 32% to 28%. Most of the \$3.1 trillion growth in the corporate bond market from 2010 to 2019

(REPORT OF THE COVID-19 Market Impact Working Group , 2020)

Figure 2-6: Effect of economic policy events on global stock market cumulative abnormal return (CAR).

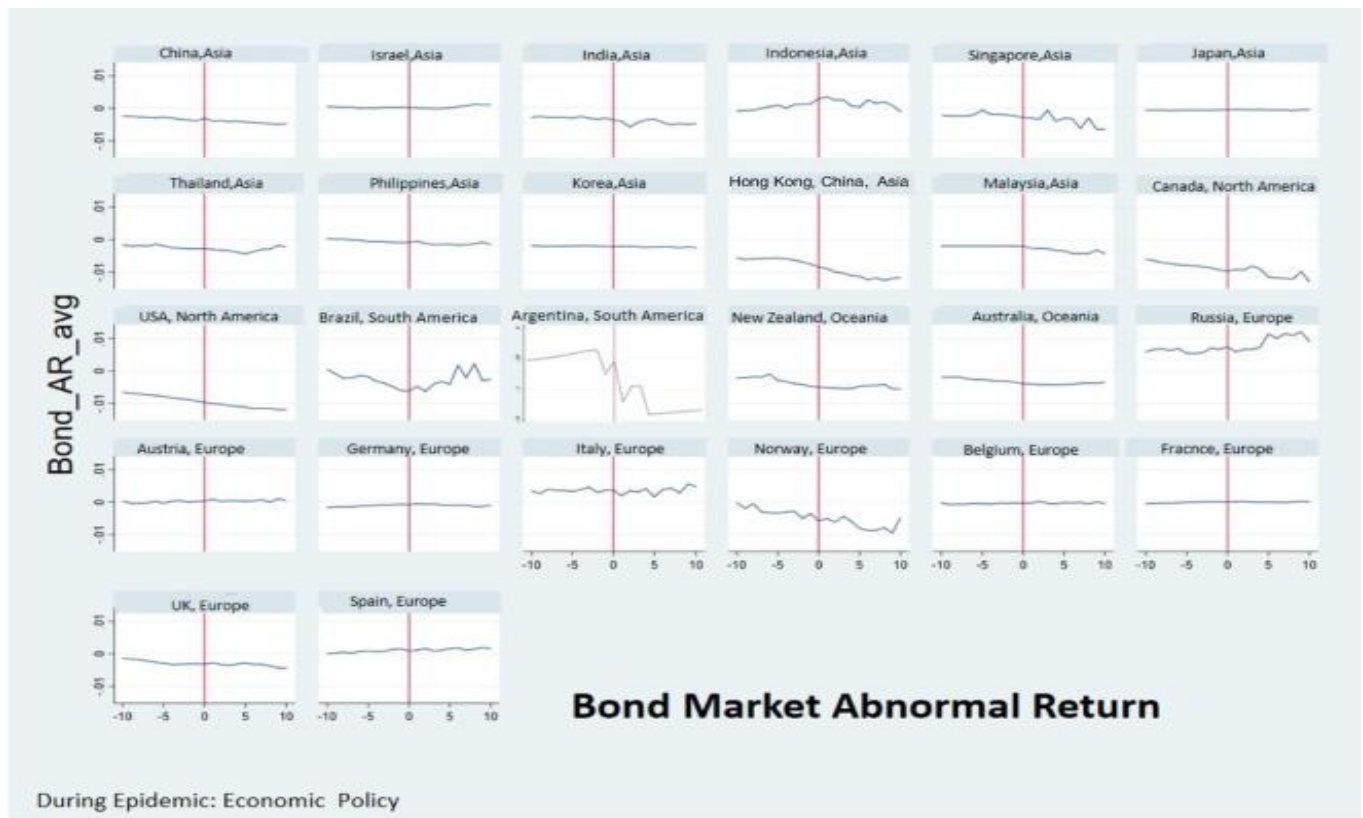


Journal of Safety Science and Resilience 2021.

Since the start of this year's epidemic, we find that global bond market returns have been negatively impacted to some degree in most countries and regions, although some countries and regions have seen bond market returns rise. (eg Italy, Spain). The volatility of bond market returns has also increased, but clearly less dramatically than in the equity market. We recommend that each country/region differentiate its policies according to its own culture and specific goal

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Figure 2-7: Effect of economic policy events on global bond market abnormal return (AR).



Journal of Safety Science and Resilience 2021.

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Figure 2-8: Effect of economic policy events on bond market cumulative abnormal return (CAR).



Source: Journal of Safety Science and Resilience 2021.

From the AR and CAR charts above, we can see that the announcement of an economic policy event had a significant impact on bond markets. Comparing the AR and CAR charts of the two markets, the impact of prevalent economic policy events on the stock market was greater than on the bond market. Equity market CARs for all 26 countries or regions are also trending downwards, and financial markets have been in short, suggesting that they didn't buy it in the first place, but panicked even more, accelerating the market's decline. However, although most countries/regions are also trending downwards, bond market CARs are significantly slower than equity markets, and bond market CARs are at par or the same as an uptrend (Feng, et al., 2021)

So in total these are the consequences:

- Although bonds are considered safer than stocks, bond prices have moved in the same direction as stock prices unexpectedly, stocks, as the bond offices recorded, became difficult to exchange many types of stocks various bonds, including municipal and corporate bonds and US Treasury bonds
- In 12/03/2020 the US Federal Reserve announced an unprecedented step. The Bank announced that the Federal Reserve would know about \$1.5 trillion as repurchase spending in the US monetary treasury to facilitate short-term market operations, where loans are exchanged between banks. This is in addition announcement by the New York Federal Reserve, which authorized the purchase of \$60 billion in Treasury bonds over the next month, to keep the bond market functioning smoothly and interest rates low
- On March 15, 2020, the federation announced that it would purchase at least \$500 billion in sales. And \$200 billion in government-backed mortgages over the next few months, she announced on

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03/17/2020, it will use securities for financing. For its part, the European Central Bank announced on 03/19/2020 a

Bond-buying program of 750 million euros (\$280) to control the market and reduce its turmoil. (Bin Taibah & Ammari, 2022) (Arabic resource)

1.3 The impact of the crisis on oil prices:

The novel coronavirus (COVID-19) is creating fear and uncertainty, hurting the global economy increasing volatility in financial markets, demand for oil and petroleum products plummeted as global economic activity slowed sharply, declining demand and an unexpected increase in supply caused crude oil prices to crash, impacting the prices of refined petroleum products and other downstream products.

Moderate oil price response to COVID-19 Stored until March 9, 2020, 49 days after the publication of the first coronavirus surveillance report by the World Health Organization

Since the 1970s, oil prices have experienced complex fluctuations. These fluctuations are primarily related to historical events such as the First and Second Gulf Wars and the 2008 global financial crisis. The last decade was marked by the oil market crash of 2014/2015, followed by a pandemic that led to unprecedented price declines years later. Most recently, on Monday, April 21, 2020, U.S. oil prices turned negative for the first time in history, forcing producers to pay buyers to take back barrels they were accepting due to oversupply, putting oil in storage. I could not do it. The situation is a direct result of failed negotiations between Russia and the Organization of the Petroleum Exporting Countries (OPEC) to cut daily barrel production and a drop in oil demand due to the COVID-19 outbreak. Government travel and work restrictions to slow the spread of the coronavirus have closed offices and sharply reduced industrial activity, thus reducing energy use in general and demand for oil in particular. (Arab Center for Research and Policy Studies, 2020) 5Arabic resource)

Crude oil remains one of the major energy sources despite the announcement of energy transitions in many parts of the world. Crude oil in particular is an important asset in the commodity markets. Crude oil prices have shown significant volatility over the past decade. Furthermore, the observed oil price fluctuations have had a significant impact on the financial markets and real economies of each country. In this sense, the debate over oil price trends is an ongoing concern for researchers, policymakers, and investors. This interest becomes all the more important when prices deviate from fundamentals and price bubble phenomena are observed. It is always important to question the detection of oil price bubbles. Their root causes and longevity help inform tax authorities. Politicians take care to prevent bubbles from forming and to control the eventual explosion through proper regulation. (Cheima, Salma, Vanessa, & Sami, 2021)

Prices collapse:

Monday, April 20, 2020, is a "black day" in the history of the oil industry. As the price of US benchmark oil, known as West Texas Intermediate crude, collapsed by 300 percent during that day's trading, and recorded minus \$ 37 a barrel at settlement." This collapse shook global markets, and had a profound psychological impact that extended from Texas, through In the European North Sea, the Persian Gulf, and east to Japan. With the shrinking American storage capacity and its exorbitant cost, it is cheaper for the producer to get rid of his production for free or to offer financial incentives to his customers in order to accept taking the oil and bear the costs of shipping and storage. This is what happened to the May delivery contracts, as he rushed owners for resale and disposal at the lowest prices in order to avoid shipping and storage costs Bloomberg describes the price collapse as "the worst crisis in the oil market in

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a long time,” noting that this crisis ended with a drop in prices below zero: “It was a huge shock to the markets and defying logical analysis

The petroleum industry is one of the most important and largest industrial activities in the world, and it plays a pivotal role in operating other industries, generating electric power, and moving all kinds of transportation by air, land, and sea.

Commercial transactions and trading of its shares in stock markets take a large part in stock exchanges and financial markets. And since the oil commodity is denominated in dollars, and fluctuations in its prices have repercussions that include banks, financing institutions, stock indices, and cash liquidity in banks, any collapse in oil prices may hit the budgets of the producing countries, and may lead to the bankruptcy of many energy companies, especially the small ones, as is happening now. in the Permian Basin of Texas and the Bakken Fields of North Dakota.

Despite the collapse of the prices of the May contracts for West Texas Intermediate crude oil, other contracts also remain vulnerable to collapse. This is because the competition for shares that led to the outbreak of the oil war between Russia and Saudi Arabia, which led to the flooding of the market with oil, especially after the end of the previous reduction agreement in late March, left a 30-day loophole, i.e. the month of April, without any agreement or commitment by reducing production. And with demand shrinking due to the spread of the new Corona virus epidemic, which brought about a global economic recession, the demand for oil collapsed and prices collapsed, and the markets are still facing a surplus of more than 4 to 10 million barrels per day in the period February-May 2020, which is equivalent to 4-10 percent. From global demand even after cuts by OPEC and its partners (Arab Center for Research and Policy Studies, 2020) (Arabic resource)

Table 2-2: Oil prices during the crisis

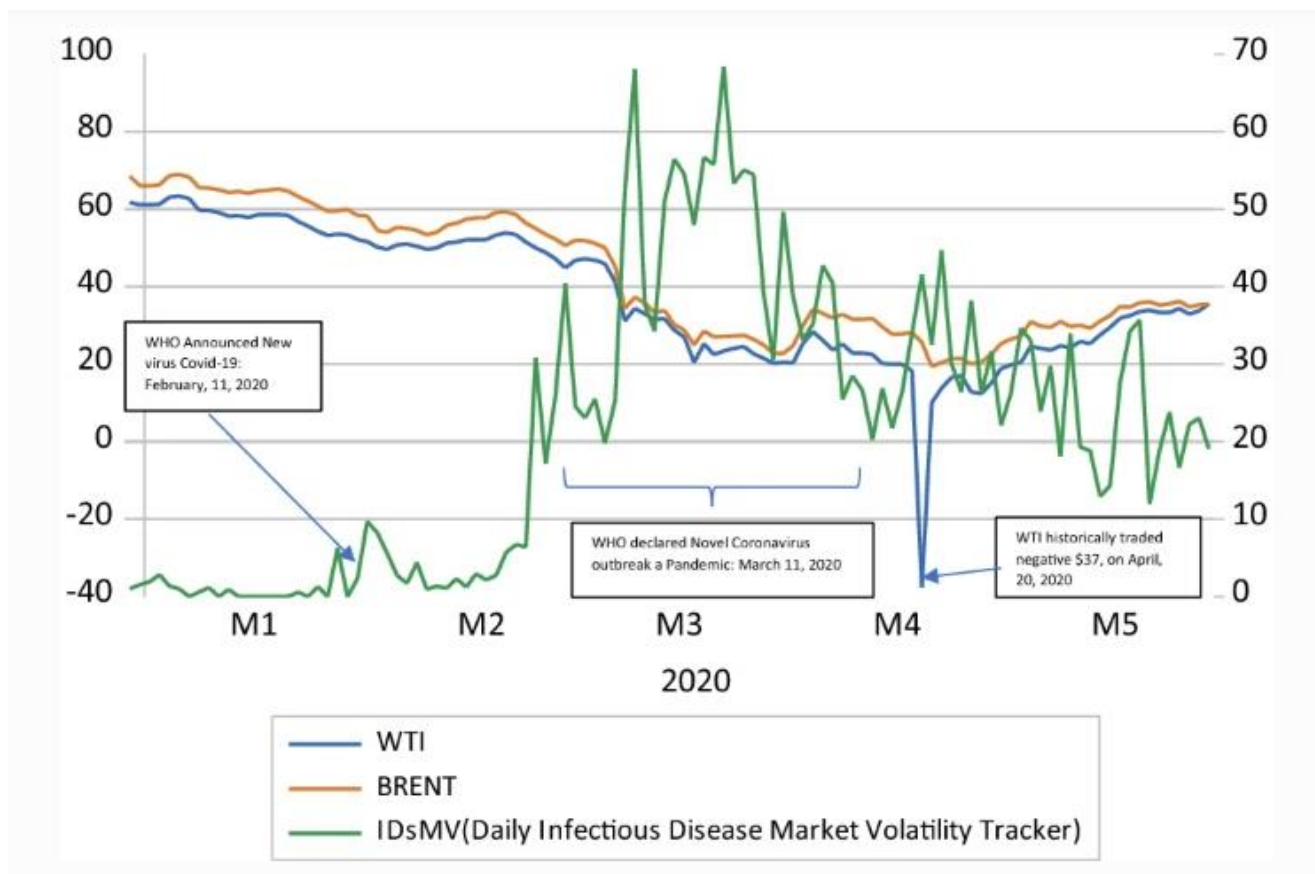
	WTI	Return	Brent	Return
Mean	36.92	- 0.04%	42.50	- 0.58%
Maximum	63.27	31.96%	68.91	19.08%
Minimum	- 37.63	- 28.22%	19.33	- 27.98%

Made by the student pandemic period 12/29/2019–05/31/2020

This table shows the futures market for WTI and Brent crude oil. From the average of 36.92, we can see that WTI traded minus 37.63 during the pandemic. At the same time, Brent had a low of 19.33 and an average of 42.50 during the pandemic, Brent seems to have higher returns than WTI, and WTI seems to be more volatile than Brent.

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Figure 2-9: Pandemic infection in the crude oil futures market (March2020)



(Imlak, Impact of COVID-19 pandemic on the energy markets, 2022)

Table 1 shows the V-shaped movement of oil prices for both domestic producers and importers. In both cases, the price fell sharply in February, March and April 2020 before rising again in May and in June. Crude oil producers and import price indexes diverged in July. Crude producer prices, which were higher than import prices in May and June, fell 13.7% in July. The import price index for crude oil rose another 21.2%. Producer crude prices rose 11.4% in August, while import crude prices rose 3.1%. Producer prices fell by 71.0% from January to April and rose by 104.2% from April to July. The Crude Import Price Index fell 62.8% in the three months to April and rose 92.0% in the following three months.

Table 2-3: Producer and import price indexes for crude petroleum (monthly percent changes, January–August 2020)

Category	January 2020	February 2020	March 2020	April 2020	May 2020	June 2020	July 2020	August 2020	3-month change (January–April)	3-month change (April–July)
PPI for crude petroleum	-2.5	-14.3	-34.0	-48.8	35.9	74.0	-13.7	11.4	-71.0	104.2
MPI for	-0.3	-10.9	-34.1	-36.6	18.9	33.3	21.2	3.1	-62.8	92.0

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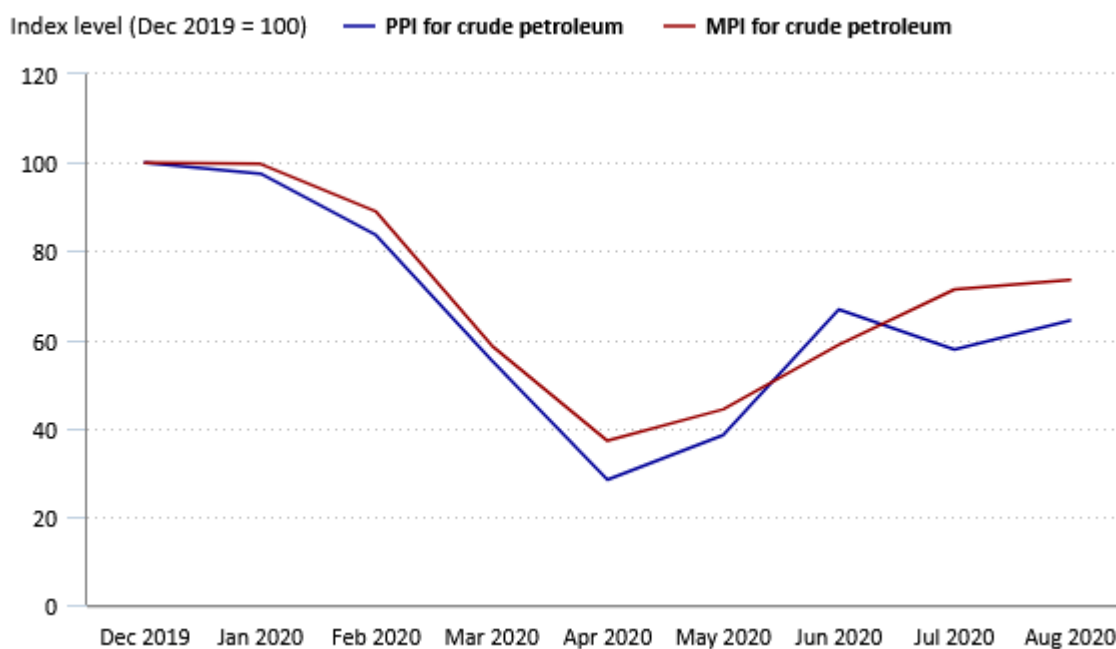
crude petroleum										
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Note: PPI = Producer Price Index; MPI = Import Price Index.

Source: U.S. Bureau of Labor Statistics

Figure 1 shows the producer price index and import price index for crude oil from December 2019 to August 2020. Despite a partial recovery in oil prices, both indicators were below January 2020 levels, with oil price volatility impacting prices of commodities along the supply chain.

Figure 2-10: Producer and import price indexes for crude petroleum (December 2019- to August 2020)



Note: PPI = Producer Price Index; MPI = Import Price Index.

(Kevin, David, Stephen, Christopher, & Derek, 2020)

Effects on Oil Prices:

1.4. Effects of the Corona pandemic and the oil dispute on some oil exporting countries:

The Corona pandemic, which is still hitting the world, led to a number of effects on all levels, economic, social and political, and increased suffering, and led to a decline in global demand for oil, which led to a significant drop in oil prices, and this directly affected the oil-producing countries (oil exporter), and according to the World Economic Outlook report issued by the International Monetary Fund on April 14, 2020, the global economy is witnessing the deepest recession in a century, and economies in the Middle

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East and Central Asia region contracted by an average of 3.1% in the year 2020. And the report acknowledged the difficulty of making accurate forecasts in light of the continuous development of the pandemic

- Impact on the Russian Economy:

The repercussions of Corona also compounded the Russian suffering. Russian Finance Minister Anton Silyanov said: "Russia's budget revenues from oil and gas sales will be less by three trillion Russian rubles, equivalent to \$39 billion than expected for the year 2020, due to the decline in black gold prices in Global markets, and the Russian ruble fell to its lowest level in the last four years, and several Russian companies, led by Russian aviation, are on the verge of bankruptcy, due to the repercussions of the Corona virus

- Impact on Saudi Arabia, which is almost dependent on oil revenues:

The decline in crude oil prices to less than \$25 per barrel of Brent directly threatened those countries that depend on oil exports, and many of these countries need oil prices ranging between \$60 and \$85 per barrel, and perhaps more, to achieve balance in their budget for the year 2020, and lower prices. Oil prices will affect the exchange reserves of many of these oil countries, especially the countries of the Gulf Cooperation Council and Algeria. 2020, partially reducing its budget in some items with less impact socially and economically, and the volume of the partial reduction in those items amounted to approximately 50 billion riyals, which represents less than 5% of the total expenditures approved in the budget for the year 2020, and these measures that were put in place may not amount to the size of the expected deficit for the year 2020, in addition to that This drop in oil prices will affect the fiscal balance policy launched by the government and it will go beyond even the pessimistic vision that was previously assumed, which is \$45 per barrel. These challenges will directly affect Vision 2030 AD, and will also affect the 2021 budget, and the Kingdom of Saudi Arabia needs to the price of 80 dollars per barrel in order to control the deficit in the 2020 budget

- Impact on the United Arab Emirates:

The United Arab Emirates is the first affected compared to the rest of the Gulf Cooperation Council countries, according to a report by the American newspaper "Bloomberg", which was published on Saturday, April 11, 2020 AD, and the report said that the general index of the Dubai Financial Market decreased by 26% since the collapse of global stocks, in the beginning of March 2020 AD, At a time when the UAE relies on economic sectors other than oil, such as tourism Trade, etc., has also been greatly affected, and this damage may exceed even the oil sector

- Impact on Algeria:

Algeria is one of the country's most dependent on oil export revenues in the Mediterranean basin, and the decline in oil in the family markets has led the authorities in Algeria to take extensive austerity measures, including the following: In the first week of May 2020, the Algerian government announced that it had increased the percentage of reducing state running expenses from 30 to 50 percent, in order to face the repercussions of the collapse of oil prices, which is the main source of income for Algeria. At the beginning of the oil crisis, the Algerian government announced a new austerity plan due to the crisis. Oil, which included a 30 percent reduction in state expenditures, including a reduction in the expenditures of the state and its affiliated institutions without specifying them; The Algerian measures also included reducing the state fuel company Sonatrach, which is the largest company in Algeria, by about \$7 billion for the year 2020, after its budget was previously estimated at about 14 billion; Among the government

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decisions taken in Algeria as a result of the oil crisis that caused the Corona pandemic, is the reduction of the import bill by about \$10 billion, after this bill was previously estimated at about \$41 billion in the year 2019 to \$31 billion by the end of 2020, and Algeria expects its foreign currency reserves to decline to 44 billion US dollars by the end of 2020, down from 62 billion dollars at the end of 2019 (Sarawi, 2021) (Arabic resource)

As a conclusion we could say the global economy has taken a big hit due to the harsh precautionary measures to prevent the spread of the Coronavirus. Economists believe that the global economy may be facing the largest economic contraction since the 1930s the last century. Fears of an economic recession have contributed to spreading panic in the global oil markets and in several sectors. In the United States, the Corona epidemic and the collapse of oil prices threaten the agricultural, industrial and oil sectors and in Africa, the collapse of oil prices has put many oil producers in a very critical position, from Algeria to Libya and Angola. Nigeria, Africa's largest oil country, suffers from deep economic problems... etc.

2 The impact of corona pandemic on tourism and transportation

2.1 The impact of covid-19 on Tourism:

Tourism is the most affected sector by the crisis as it is a leisure activity dependent on economic recovery and the elimination of barriers between countries. Given its recent history, the tourism sector has experienced several crises, notably the SARS epidemic in 2003, the global financial crisis in 2008, and finally the corona epidemic crisis, both numerical crises (2003-2008) are seen as a limited bump. The impact compared to the impact of the current corona crisis, according to data from the Bureau of Statistics. The global "statista" Severe Acute Psychological Syndrome (SARS) has led to losses in the tourism market with only 2.5 million tourists, in 2003 it reached 701.7 million. Tourism recovered the following year, and its activity reached 775.4 million tourists worldwide in 2004. Four years later, at the end of the third quarter of 2008, the financial crisis hit, casting a shadow over the global economy and halting the continued growth of tourism activity in 2009, with tourist arrivals dropping by 37 million to 950 million tourists. Tourism continues to grow reaching almost 1.5 billion tourists. Stopped by the advent of the corona pandemic in 2019, and in the face of travel restrictions, border closures and estimates of tourism agencies, the epidemic has led to complete paralysis of its size five times that of the 2009 financial crisis. Recovery in the face of global battle with new wave of epidemic, estimated recovery could take 2.5 to 4 years to return to pre-pandemic levels and because of this catastrophe most airports and borders were closed almost completely in April and May, many businesses around the world laid off large numbers of employees and scaled back operations to avoid a complete collapse

The World Tourism Organization expects that the results of these measures globally will be as follows:

- Loss of 850 million to 1.1 international tourists.
- Loss of \$910 billion to \$1.2 trillion in tourism revenues.
- The threat of losing 100 to 120 million jobs in the sector worldwide

In recent years, the tourism industry has experienced significant growth in arrivals and tourism revenues. In 2019, international tourist arrivals increased by 4% to 1.5 billion worldwide. Experts around the world therefore expect 2020 to be another successful year for tourism. However, the COVID-19 outbreak has changed the overall industry scenario.

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For an early overview of COVID-19 Countries that rely heavily on foreign trade the current crisis has hit them more severely. Karim Al. (2020) Describes movement restriction order and impact on tourism in Malaysia, hospitality workers asked to take unpaid leave, aviation sector minimizing flight operations due to COVID-19 I point out that it is suppressed. However, at the moment these types of scenarios are more or less the same around the world. In Poland, hotel occupancy declined by about 40%, and air traffic at Polish airports fell by about 80-90% year-on-year by early March. This result indicates that the early effects of COVID-19 become more severe later. In addition to business and service industries, the local population has also been hit hard by the devastated tourism industry.

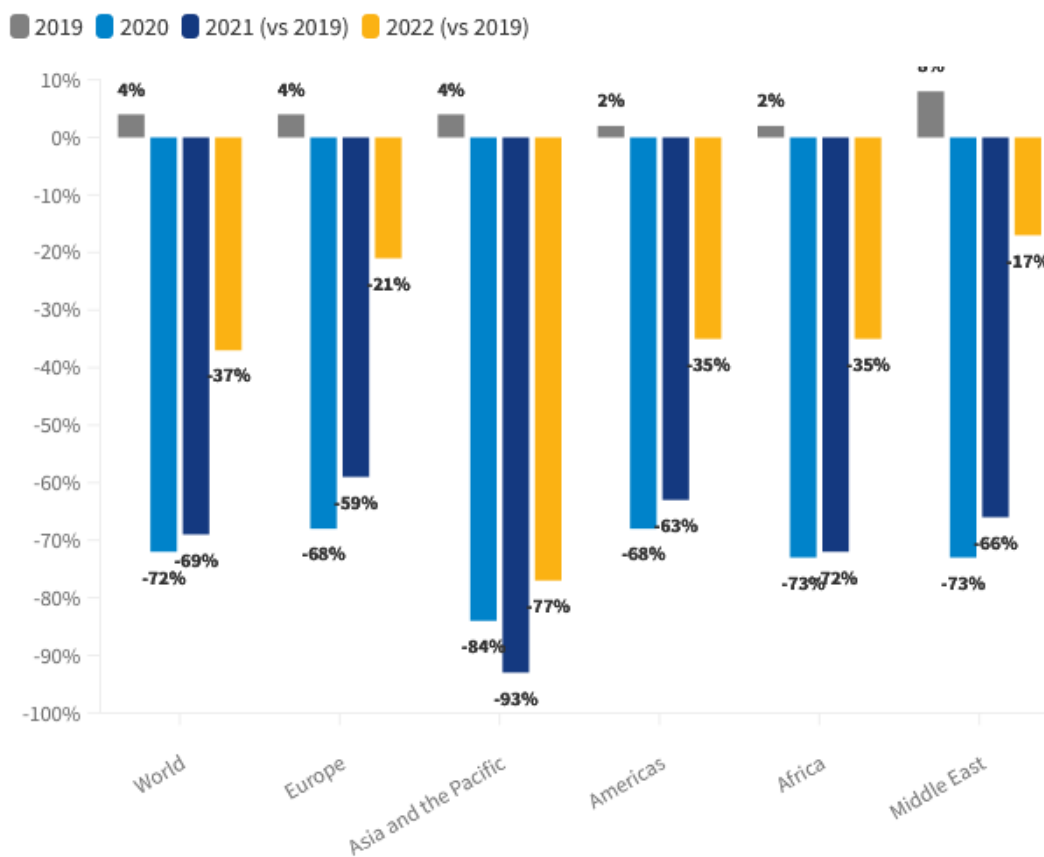
The table below shows the forecast of international tourist arrivals for the past two years and the forecast and current status of tourist arrivals in early 2020. (Santus & Shohel, 2020)

Table 2-4: Outlook for International Tourist Arrival.

Region	Change (%)		Average a year (%)	2020 Projection (issued in January) (%)	2020 (January to April) (change %)	2020 (January to June) (change %)
	2018	2019	2009-2019	from		
World	5.6	3.8	5.1	3 to 4	-44	-65
Europe	5.8	3.7	4.6	3 to 4	-44	-66
Asia and Pacific	7.3	4.6	7.1	5 to 6	-51	-72
American	2.4	2.0	4.6	2 to 3	-36	-55
Africa	8.5	4.2	4.4	3 to 5	-35	-57
Middle East	3.0	7.6	2.7	4 to 6	-40	-57

Source: World Tourism Organization (UNWTO).2020

Figure 2-11: International tourist arrivals before and after covid-19 crisis:



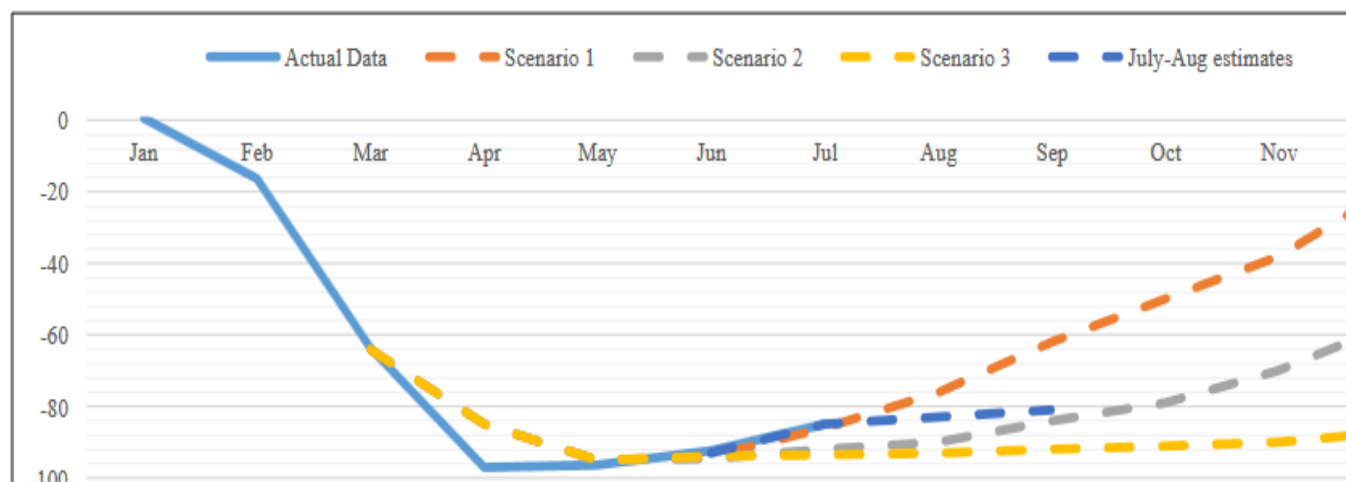
Source: World Tourism Organization (UNWTO)

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Data as collected by UNWTO, January 2023.

International tourist arrivals fell by 65% in the first six months of 2020, with the Asia-Pacific region being the hardest hit with a 72% decline (UNWTO, 2020a; 2020c). However, the outbreak and uncertainty have repeatedly lowered the outlook for this year. After the complete closure of most borders in late March, tourist arrivals fell by 97% in April, 96% in May and 85% in August (UNWTO, 2020a). This will depend on containment speeds and movement restrictions, as well as border closures

Figure 2-12: International tourist arrivals in 2020: YTD results and scenarios (y-o-y monthly change, %)



This is the largest decline in history, surpassing the 4% increase after the 2009 global economic crisis and the slight 0.4% decline after the SARS outbreak in 2003, and will recover faster than the international market. A UNWTO panel of expert's hopes for a faster recovery, according to a study of the impacts of the 19 outbreaks on tourist destinations, conducted by some 280 participants they hopes for faster recovery to be achieved in October- December. More than 70% of respondents expect a decline in foreign, domestic and foreign demand. (Santus & Shohel, 2020)

Mapping the economic impact of the COVID-19 pandemic on international tourism data from UNWTO was surveyed in various countries provided information about percentage change in international tourism receipts in 2020 compared to the previous year. (Bartosz , 2022)

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Table 2-5: Percentage change in revenues from tourism in UNWTO sub regions in 2020 compared to the previous year (2019).

The Country's Position Considering the Number of Tourists in 2019	Country Name	Total Contribution of Travel and Tourism to GDP in 2019	Percentage Change in Revenues from Tourism in 2020 Compared to the Previous Year
1	France	8.5%	-49.8%
2	Spain	14.1%	-76.1%
3	United States	8.6%	-58.4%
4	China	11.6%	-56.4%
5	Italy	13.1%	-58.1%
6	Turkey	11.0%	-68.3%
7	Mexico	15.0%	-55.8%
8	Thailand	20.1%	-70.0%
9	Germany	9.8%	-43.6%
10	United Kingdom	10.1%	-60.3%

Source: Impact of the COVID-19 Pandemic on International Tourism Income in Tourism Receiving Countries article.

The consequences:

- In Algeria: the activities of the tourism sector witnessed an almost complete stagnation, causing the sector to incur huge economic and social losses and damages, both for tourism and travel agencies and owners of tourism and hotel establishments, in addition to all services related to the field of tourism, especially the transport sector with all its components, as the National Bureau of Statistics announced “worrying numbers.” From a decline of 3.9% in the gross domestic product in the first quarter of 2020, to the unemployment rate approaching 15% in July, after it stood at 11.4% at the end of 2019, and in the absence of accurate statistics on the effects of the outbreak of the Corona epidemic on the tourism sector in Algeria, it is certain that its impact It remains limited due to its weak contribution to the gross domestic product, which did not exceed 4%, and within the framework of the efforts made by the government and coinciding with the decision to lift the tourism closure that was applied to the sector six months ago, as it prepared the health protocol for the prevention of coronavirus “Covid-19” for activities Tourism, for the purpose of prevention and protection The health of customers and individuals working at the level of hotel establishments, and in spaces designated for tourism activities (Tarfaya & Tawat, 2021)
- For tourist Apartment: According to data from Transparent, a global meltdown is observed For the apartment business, with a decline in bookings in March of 23% worldwide, 53% lower than it was just a year ago. By country, China shows a larger decline in occupation in the first quarter of 2020, with a decrease of 61%. %. Followed by Italy (-29%), the United States (-17%), Spain (-17%) and France (-13%). In terms of cities, Rome recorded 32% of cancellations of total bookings, followed by Venice (25%) and Milan (24%), Florence (23%), Madrid (18%) and Barcelona (15%)
- For business trips: In the business travel sector, the GBTA Global Business Travel Association, with over 1,155 companies worldwide, estimated from a survey among its members that nearly half of those (53%) had canceled or suspended all non-essential travel. - In the Events area, almost all (95%) of GBTA member firms canceled or postponed (92%) meetings, conferences or events

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due to COVID-19 and 31% reported moving meetings or events to other locations. When GBTA members were asked to estimate the percentage of canceled business travel that was pre-booked by March 2020, GBTA members estimated that approximately 89% of business trips had been canceled. This is double the estimate of March 10, 2020, when members initially estimated 43% of business trips. Work in from the March 2020 survey has been canceled due to the Coronavirus

- For fashion and luxury (shopping tourism): With regard to the tourism industry related to fashion and the purchase of luxury products, it must be taken into account that Covid-19 started in China, which accounted for 90% of the growth of the global luxury market during 2019, which could mean its impact with a decrease of \$600 billion in sales. According to BCG consulting data, it is estimated that sales of luxury goods will fall between \$85 and \$120 billion in 2020, higher than its first forecast of \$40 billion. With regard to industry sales, these fell to 85% in China within two months, within two months. The blockade period in the country (January-February). In countries like Italy, France and Spain, the decline has reached 95%. In Europe, the luxury goods market remained stable in the first two and a half months of the year, although there were significant differences between countries. While the market Italy suffered the most, as the quarantine caused a double decline in sales in all countries
- Sales generally increased in France, Spain, Germany and the United Kingdom, thanks to tourism (particularly from Russia and the Middle East) and stable domestic demand during the early stages of the outbreak. Across the Americas, the luxury goods market is also beginning to feel the full impact of the social and economic disruption caused by the coronavirus. The decline in tourist spending (mostly from the Chinese) didn't seem to have much effect in the first two and a half months of the year. With regard to supply at major airports in the world, the trend was negative, as the decline in air traffic from Asia was only partially offset by continued tourism in Europe and America. It should be noted that online sales grew double digits in Europe and the Americas, slowing only modestly in Asia. (Jilali, 2021) (Arabic resource)

We can say that the tourism industry is one of the most affected industries due to the crisis of the emerging Corona virus (Covid-19). Since the outbreak of this pandemic, the concerned authorities publish frightening numbers, as tourist destinations recorded a decline in the number of foreign tourists in 2020 by one billion tourists compared to 2019.

2.2 Impact of covid-19 on transportation:

Governments around the world have had to adopt various policy measures to contain the spread of COVID-19, which has affected the lives and livelihoods of many people. A combination of measures targeting the transport sector and other aspects of social life has been implemented in different countries with varying degrees of success, the COVID-19 pandemic has far-reaching effects on the transportation sector. In many cities, public transport usage fell by more than 90% in the early stages of the first wave of lockdowns.

Travel restrictions are aimed at restricting movement and range from banning non-essential travel to banning all non-essential travel, restrictions or bans on travel are believed to be most effective when combined with other measures, such as closures of entertainment venues and bans on public gatherings. During the early stages of the pandemic (February-April), some Asian countries exceeded national recommendations that most people adhere to (e.g. Japan, South Korea, Taiwan, Macau, Singapore, and Hong Kong) It never happened.

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Lockdowns responded with complete travel bans (China, Vietnam, and Iran) In Europe, several countries such as France, Italy, and Spain implemented full nationwide lockdowns early on, restricting all non-essential travel. However, other countries (such as Sweden and the Netherlands) have requested movement restrictions only.

Due to the suspension of flights, both international and domestic flights will drop to record lows around May 2020, and domestic flights will recover thereafter.

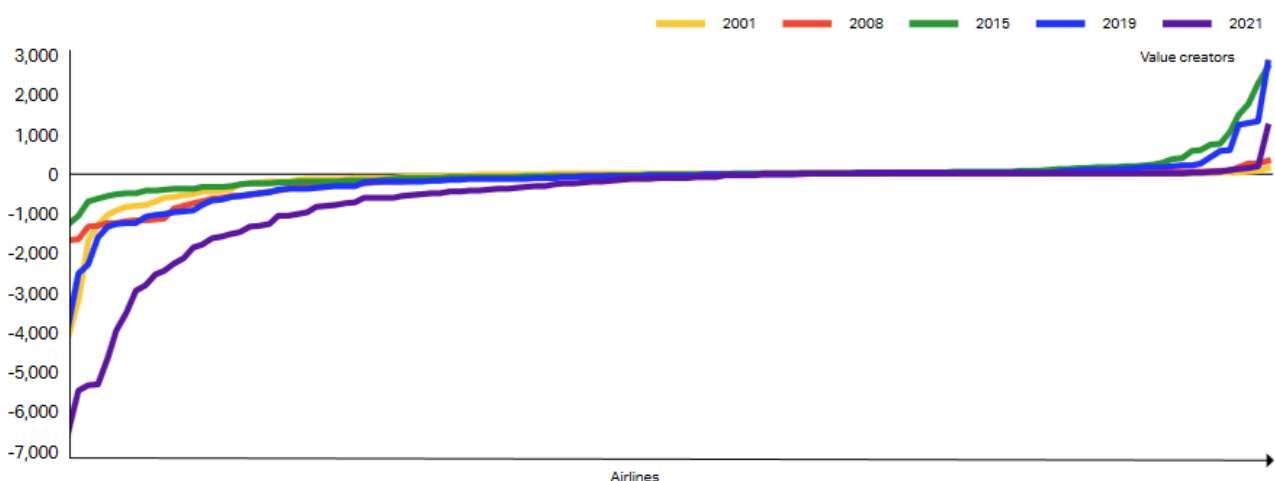
In June, ICAO estimated the impact of COVID-19 on global passenger air traffic (domestic and international combined) at 400 billion losses, reduced by about 50%. Airline employment numbers, especially large ones, are likely to bear the brunt of the decline, with a recovery that could range from four to six years. Meanwhile, the rail sector should benefit from reduced air travel. The rail industry could grow faster than expected over the next decade as the COVID-19 pandemic accelerates post-lockdown passenger shift from air to rail, a UBS report reveals became. (Ruth, Niek, & Bert, 2022)

Aviation:

“2020 was a year that we’d all like to forget. But analyzing the performance statistics for the year reveals an amazing story of perseverance. At the depth of the crisis in April 2020, 66% of the world’s commercial air transport fleet was grounded as governments closed borders or imposed strict quarantines. A million jobs disappeared. And industry losses for the year totaled \$126 billion. Many governments recognized aviation’s critical contributions and provided financial lifelines and other forms of support. But it was the rapid actions by airlines and the commitment of our people that saw the airline industry through the most difficult year in its history,” said Willie Walsh, IATA’s Director General.

Aviation is one of the most heavily-hit sectors because as soon as news of the virus spread widely in late January, the demand for Travel to Asia from the rest of the world decreased, and therefore airlines began to significantly reduce their flights to China and several other Asian countries, and with the spread of the virus to Europe, the Americas and Africa, the demand for air travel decreased around the world, and it even came to some Travelers to postpone and cancel their travels that were scheduled for 2021, for fear of the continued spread of the virus as it shows in this curve (Mushtar, chin, & Dhaif, 2021) (Arabic resource)

Figure 2-13: aviation sectors losses



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Source: McKinsey value chain modelling

Global air travel (measured in passenger kilometers) will decline by 66% in 2020 and 58% in 2021 compared to 2019, with \$244 billion in 2020 and \$146 billion in 2021 across the value chain respectively. Resulting in an economic loss of dollars. These are exaggerated losses given the economic gains made in 2015, the best year for the value chain. All sectors combined are capped at \$12 billion.

All aviation sectors suffered heavy losses in 2020 and 2021 amid lockdowns and travel restrictions. Exceptions were airlines and freight forwarders, where imbalances in supply and demand led to increased revenues and added value. Sectors with a high proportion of fixed costs, such as airports, have suffered more than sectors based on variable costs such as Ground Handler. Airlines suffered the most losses. (Jaap, Steve, & Nina, 2022)

The losses: The regional rankings (based on total passengers carried on scheduled services by airlines registered in that region) are:

Asia Pacific: 780.7 million passengers, down 53.4% compared to regional passengers in 2019

North America: 401.7 million passengers, down 60.8% from 2019

Europe: 389.9 million passengers, down 67.4% from 2019

Latin America: 123.6 million passengers, down 60.6% from 2019

Middle East: 8 million passengers, down 67.6% from 2019

Africa: 34.3 million passengers, down 65.7% from 2019

(The International Air Transport Association , 2021)

Air France: \$8.5 billion Air France-KLM lost €7.1 billion (\$8.5 billion) in 2020, as the coronavirus pandemic caused a 67% drop in passenger numbers for the Franco-Dutch giant. Revenue fell 60.4% to 9.2 billion

Euro Airbus: \$ 1.3 billion European aircraft maker Airbus lost 1.1 billion euros (\$1.3 billion), amid an unprecedented global recession in air travel due to the Corona virus. Guillaume Faure, the company's chief executive, admitted Thursday that the company's performance in the past year was "far from expectations." Last June, Airbus announced the abolition of 15,000 jobs, mostly in France and Germany.

Wing lost \$ 11.9 billion: The American Company "Boeing" for the aircraft industry recorded record losses during 2020, due to the impact of the outbreak of the Corona pandemic, as well as the ban on the use of "Boeing Max 737" aircraft around the world, due to two crashes. The company stated, in a statement, that its net losses in the past year amounted to 11.9 billion dollars, compared to losses amounting to 636 million dollars in 2019. The statement added that the ban on using its "Boeing Max 737" aircraft globally and the outbreak of the Corona virus greatly affected the company's financial results.

United Airlines: \$ 7.1 billion the total losses of American "United Airlines" during the past year as a whole, with most flights stopping most months of last year due to the pandemic, amounted to \$ 1.7 billion, compared to profits of \$ 3 billion in 2019, and it declined Revenue last year increased by 65% annually to 4. 15 billion dollars

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Air Canada: \$10.49 billion the largest airline in Canada announced that its revenues declined by 13.3 billion Canadian dollars, equivalent to 10.49 billion US dollars, to record 5.8 billion Canadian dollars in 2020 compared to 2019 due to the Corona (Jilali, 2021)

Air freight:

On the other hand, the impact of the cargo air transport sector on the crisis is relatively less than that of the passenger air transport sector. In light of the continued journey of transporting goods between the countries of the world, especially in light of the urgent need for the continued flow of goods, services, supplies, and medical devices to confront the pandemic. Despite this, the data for March 2020 indicates that the international trade movement was affected by the spread of the Covid-19 pandemic, which was reflected in the movement of air freight of goods at the global level.

Air travel in the 2020 market to keep commodities such as vaccines, personal protective equipment (PPE) and critical medical supplies moving despite a significant reduction in passenger air craft cargo capacity is adapting, air freight has become a bright spot.

Industry Available Freight Tonne Kilometers (ACTK) decreased by 21.4% year-on-year in 2020

By the end of the year, industry-wide freight tonne kilometers (CTK) were almost back to pre-crisis levels. It was a whopping 9.7% year-on-year. (The International Air Transport Association, 2021)

The impact of the Corona virus was not limited to the air traffic of passengers or freight, but was also affected by a decline in gross revenue. It was expected that airlines around the world would record a decrease in revenues of about \$419 billion during 2020, or 50% compared to 2019, while Asia and the Pacific occupied the most affected regions, as expectations indicate a loss of an estimated \$140 billion, followed by the continent. The US lost an estimated loss of \$130 billion, and Europe ranked third with an estimated loss of more than \$100 billion, while expectations indicate that the entire Arab world will lose \$38 billion and for air freight revenues, they decreased to 102.4 billion US dollars in 2019, and expectations before the 2020 crisis indicate that the volume of revenues will reach 101.2 billion US dollars, while expectations after the crisis 2020 and 2021 indicate an increase in revenues to 110.8 and 138.1 billion US dollars. (Mushtar, chin, & Dhaif, 2021)

Shipping

Despite the implementation of health control protocols such as thermal scanning, temperature checks and other measures before and after boarding ships, shipping companies have suffered significant setbacks in the stock market from published reports of infections on some ships, along with recommendations from countries and organizations. According to Bloomberg, the three largest cruise operators have lost more than half of their market capitalization in less than two months, amounting to more than \$42 billion. In the case of emblematic ports such as Miami, which is considered the capital of the world for cruises, the fear of the Corona virus has led to a decrease in the number of tourists, causing a series of economic losses in the tourism and commercial sector that are difficult to assess on a moment in the general lines. This situation may also apply to major cruise ports around the world. (Jilali, 2021)

Lastly we can say the transportation industry was affected specially the aviation and specially airlines the air freight and shipping was not necessarily affected negatively as we can see.

3 The impact of the corona pandemic on inflation and unemployment rates

3.1 The impact of crisis on unemployment:

Due the strict instructions imposed by countries during the economic crisis period to limit the spread of the epidemic, global unemployment is expected to increase by a large percentage. Experts at the International Labor Organization said that the economic crisis resulting from the emerging Corona virus pandemic is expected to contribute to global unemployment of more than 200 million people next year, with working women and youth affected the most. Guy Ryder, ILO Director-General, said: "We're back, we're back in a big way. Working poverty is back to 2015 levels; that means back to the 2030 Agenda for Sustainable Development, we're back at the starting line." And among the hardest hit regions in the first half of 2021: Latin America and the Caribbean and Europe and Central Asia, all victims of an uneven recovery.

The National Bureau of Economic Research (NBER) has declared February 2020 to be the beginning of the latest recession, marking the end of the longest economic expansion in US history. This expansion was followed by the Great Recession (December 2007 to June 2009), widely regarded as the worst since the Great Depression (August 1929 to March 1933). The unemployment rate rose sharply in March 2020 and by April 2020 was well above the previous highs observed during and immediately after the Great Recession. This rise in unemployment is due to an unprecedented 22.1 million of her unemployed people between January 2020 and April 2020. Many people retired during this time, and by April 2020, the activity rate had fallen to 60.2%. This is his July 2021 level since his early 1970s. (Gene Falk, Paul D, Isaac A, & Emma C, 2021)

When it comes to economic issues, unemployment is part of the economy and one of the sectors most affected by the Covid-19 pandemic. With limited space to move around many work places previously used by multiple groups of people and used by communities as a means of meeting their daily needs have closed and are no longer allowed. But due to Covid-19 it had to be closed. Like the work of a dealer, a clerk, etc. The number of companies that went bankrupt and were no longer viable, the lack of operating profits led to the fact that a significant number of employees in small land medium enterprises had to be forcibly laid off. (Ramadan, Sartika, & Herawaty, 2022)

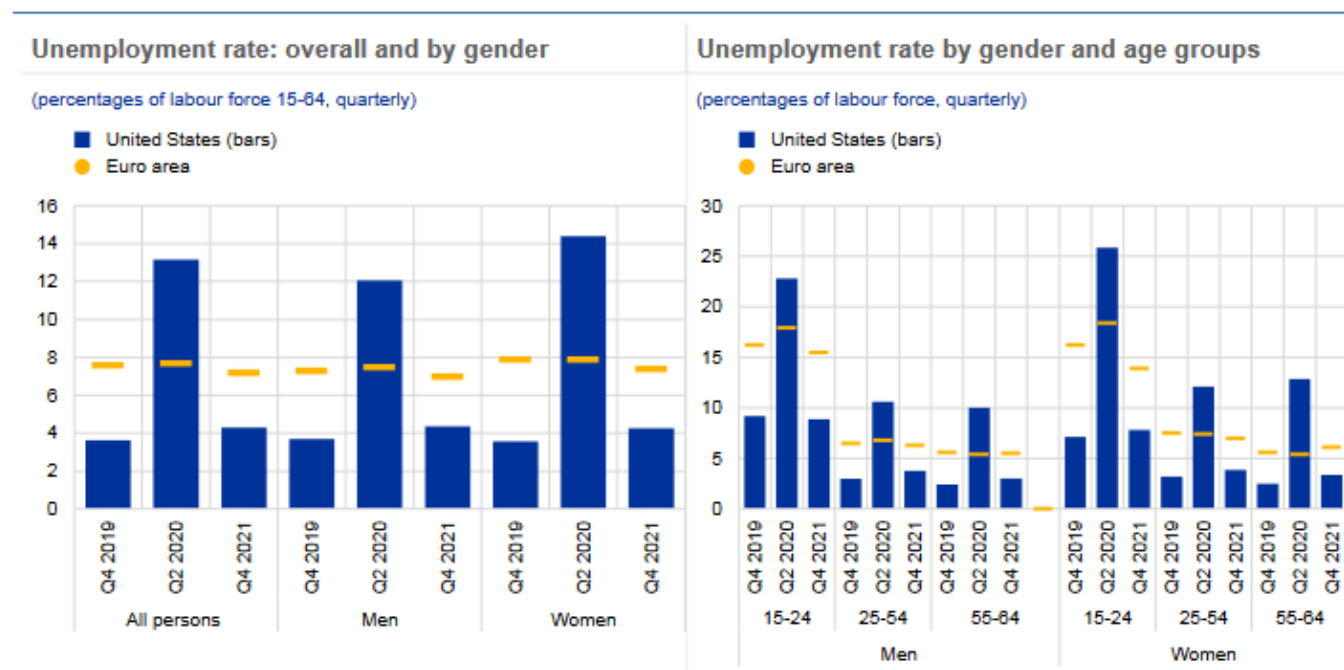
Declining employment and working hours have resulted in a sharp decline in labor income and a corresponding increase in poverty. Compared to 2019, an additional 108 million workers worldwide are classified as poor or extremely poor (i.e. they and their families earn less than US \$3.20 per person per day). "Five years of progress towards eradicating poverty in work has been wiped out," the report said, putting the United Nations Sustainable Development Goal of ending poverty by 2030 ahead of schedule. Heads that it's getting harder

The COVID-19 crisis is also exacerbating existing in equalities by hitting vulnerable workers hard, the report said. For example, the wide spread lack of social protection among her two billion in formal sector workers in and the world suggests that pandemic-related job disruptions will have dire consequences for families 'incomes and livelihoods the crisis has also hit women disproportionately. In 2020, their employment fell by 5% for women compared to 3.9% for men. Many women dropped out of the labor market and quit their jobs. Additional domestic responsibilities arising from critical lockdowns also create the risk of "re-traditionalization" of gender roles. And for youth employment fell by 8.7% in 2020 compared to 3.7% among adults, with the steepest declines seen in middle-income countries. The

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consequences of delays and disruptions in young people's early labor market experience can last for years. (International labor organization, 2021) As it shows in the next figures:

Figure 2-14: Unemployment rates in the USA and Euro area



Source: OECD.

Note: The latest observations are for the fourth quarter of 2

The unemployment rate in the US also showed a sharper change than in the Eurozone, especially among young people. At the end of 2019, the US unemployment rate was lower than the Eurozone (-4 percentage points), but strong employment in the US after the crisis pushed the unemployment rate to higher levels (+5.5 percentage points). Recovery sees unemployment fall again- 4.3% in the US compared to 7.2% in the Eurozone in Q42021 (see left panel of Chart B). Overall, this reflects its a fore mentioned V-shaped employment rate pattern and relatively flat labor force participation rate. Affected people will be further affected in Q2, regardless of gender or age group In 2020, men and women were younger in both the US and Eurozone, but the former was more pronounced. In the United States, to a lesser extent, working-age women (ages25-54) and older women (ages 55-64) were particularly affected. Following the recovery in employment, the overall impact on unemployment is now more pronounced among men in the prime and older women in the United States and older women in the Eurozone (Ramon & Michel, 2022)

3.2 The impact of the crisis on inflation:

After a decade of slowing growth, inflation fears have reignited this year as the prices of many goods and services surged. The ongoing pandemic is leading to higher inflation as ongoing COVID-19 related supply chain disruptions make it harder to find some items while pushing consumer prices higher, the

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Covid-19 crisis has created instability across the economy, including prices and inflation. Since the beginning of the crisis, price volatility (percentage of price change from month to month) has been higher than in any comparable period since 1991. On average, one-fifth of consumer prices change each month. Historically, shocks have increased this percentage as more companies adjust their prices. So far, the pandemic has caused price fluctuations. Increased regularity of both falling and rising prices. The 1992 and 2008 crises had a similar impact.

Firstly we can say that the Covid-19 lockdown has had an uneven impact across sectors some sectors didn't work at all, while others continued to work. Therefore, some sectors saw more frequent price changes.

The largest increases in the percentage of price volatility are seen in the Leisure & Culture, Gastronomy & Hotels, and Clothing sectors. In some key sectors such as food and beverages, the frequency of price changes has barely increased compared to pre-COVID-19.

At the sector level, lockdown-prone sectors saw the biggest changes: hospitality, relaxation, culture. However, the 30 most affected individual items are from a variety of industries, prices for books, and takeout food, and others are all significantly more volatile than they were before the pandemic. Prices for services (haircuts, plumbing, etc.) have changed significantly in line with historical patterns, the price change was split almost evenly between rising prices and falling prices. (Richard, 2021)

In the US for example headline inflation rose to 7.5% in January 2022, which is the highest rate of increase since February 1982. Core personal consumption expenditure (PCE) price index, the Federal Reserve recommended inflation rate rose to 5.2%, also the highest rate increased since March 1983. (Orkideh & Sunhyung, 2022)

In UK In an average pre-Covid year, prices change by 19%. This rose to 24% at the beginning of the year. Pandemic, highest rate since 1991, consumers are facing surges in both price cuts and price increases. (Richard, 2021)

In general inflation rates have increased in most countries, but there are also some countries where inflation rates decreased as shown in the table below:

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Table 2-6: CPI and Covid-19 Inflation in May 2020

Country	Annual Inflation (12-month change, %)	
	CPI	Covid CPI
Brazil	1.65	2.53
Uruguay	10.99	11.81
US	0.13	0.95
Korea	-0.45	0.04
Chile	2.68	3.05
France	0.55	0.88
Colombia	2.72	2.97
Canada	-0.34	-0.12
Turkey	11.56	11.73
Japan	0.07	0.22
Spain	-0.18	-0.09
UK	0.59	0.67
Argentina	43.38	43.45
Germany	0.57	0.53
Ireland	-0.85	-0.91
Netherlands	1.20	1.13
Italy	0.86	0.52
Greece	0.25	-0.10

Source: INFLATION WITH COVID CONSUMPTION BASKETS working paper.

Top panel shows countries with high Covid-19 inflation of the official fixed basket CPI ranked by percentage point difference. Consistent with the U.S. results, high Covid-19 inflation in most of these countries resulted in increased spending on food and drink, which experienced greater inflation, and less weight on transportation, which experienced greater inflation is canceled out by , contributing to significant deflation. Brazil leads as inflation divergence between these two sectors has been more consistent since the start of the pandemic.

The chart below shows some countries are holding back inflation in the Covid-19 basket. There is no common cross-border declaration for these cases. For example, the appendix notes that Covid-19 inflation was low in Germany, as 'recreation and culture', a category that had a staggering 4.23% inflation in April, was underweight, while housing was overweight in Ireland is showing in the same month, we experienced significant deflation. Understanding the specific inflation dynamics of these countries is beyond the scope of this paper, but these results indicate that the basket bias is not only due to changes in basket weights, but also to his CPI sector for each country. It emphasizes the fact that it also depends on the inflation rate of So far, the pandemic has led to sectoral inflation divergences, with Covid-19 inflation rising in most countries, but ultimately the consistency of this result suggests that supply and demand shocks depends on how it affects different departments (Alberto, 2020)

Conclusion of the second chapter:

The impact of the novel coronavirus disease (COVID-19) on the global economy has been significant and far-reaching. The pandemic has resulted in a sharp decline in economic activity, with many countries recording negative growth rates and rising unemployment rates. The International Monetary Fund (IMF) estimates that the global economy will contract by 3.3% in 2020, the biggest contraction since the Great Depression.

The pandemic has hit every sector of the economy, with some hit harder than others. For example, travel restrictions and social distancing measures have hit the travel and tourism industry particularly hard. The pandemic has also highlighted the inequalities that exist in the global economy, hitting low-income countries and vulnerable people particularly hard.

Chapter III
The extent of the impact of the IMF during the
covid-19 economic crisis

Chapter3: the extent of the impact of the international monetary fund during covid-19 crisis.

The COVID-19 pandemic has had a significant impact on the economies of the Middle East and North Africa region, with many businesses and industries struggling to stay afloat due to the pandemic's effects. The region was already suffering and going through economic issues before the covid-19 so we can say the crisis really worsened the situation, to realize the depth of its impact, we divided the study into three sections:

The first section: Economy indicators in the MENA region.

The second section: The covid-19 crisis in the MENA region

The third section: the response of the IMF to this crisis.

1 Section 1: MENA region economy:

The World Bank divides countries around the world based on their incomes to four categories: low, high and upper-low middle economies. For the current financial year 2023, low-income countries are defined as those with a GNI per capita of USD 1,085 or less in 2021. Low-middle income economies refer to economies with per capita GNI between \$1,086 and \$4,255. Upper middle-income countries refer to economies with per capita GNI between \$4,256 and \$13,205. High-income economies have a GNI per capita of \$13,205 or more. (Nada, Catherine, Eric, & Shwetha, 2022)

1.1 High income economies

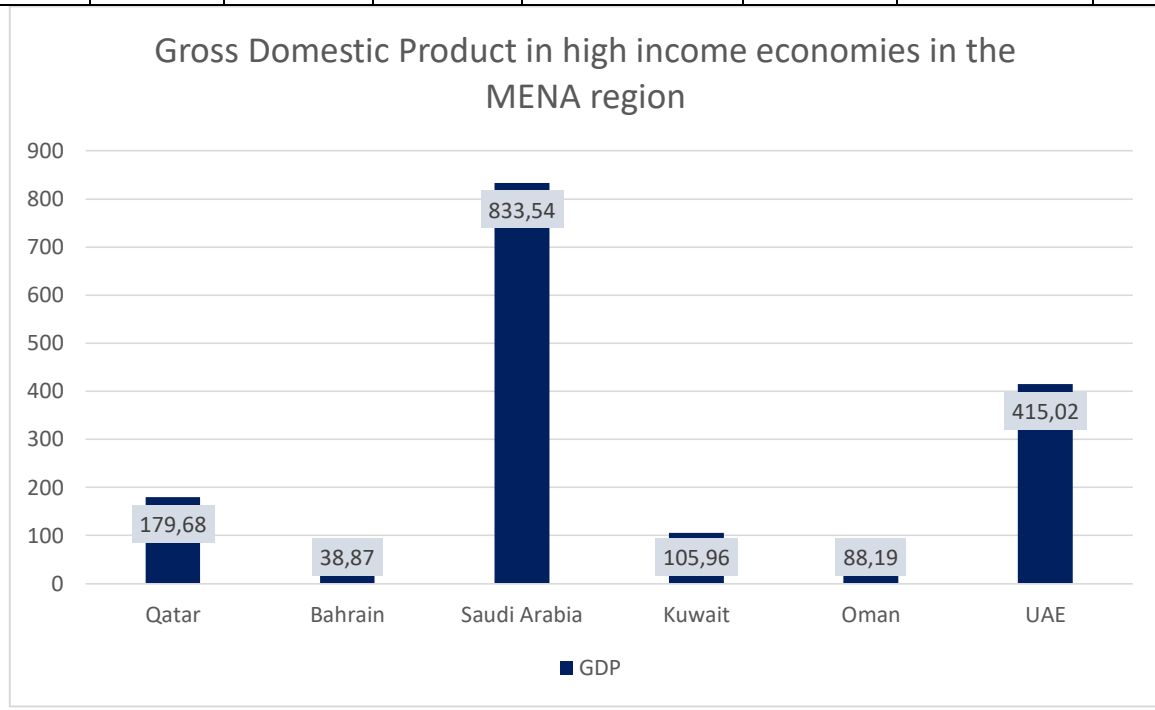
The countries from the MENA region that are classified as high income economies are Qatar , Bahrain, Saudi Arabia , the UAE, Oman and Kuwait these countries have high levels of per capita income, which are largely driven by their oil and gas exports. They have also invested heavily in infrastructure, including transportation, telecommunications, and energy. These countries have relatively low levels of public debt and high levels of foreign exchange reserves. They have also made significant investments in education and healthcare, which have contributed to their human development.

Table 3-1: Rates of the key indicators in the high income economies in MENA region:

Countries	GDP	GDP per capita	GDP growth	unemployment	inflation	Foreign investment	HDI
Qatar	179.68	66838.40	1.60	0.10	5.00	1093406.59	0.855
Bahrain	38.87	26563.00	2.20	1.40	3.60	1765957.45	0.875
Saudi Arabia	833.54	23185.90	3.20	5.60	2.50	19285643.58	0.875
Kuwait	105.96	24300.30	-8.90	2.50	3.40	-272335.31	0.831
Oman	88.19	19509.50	3.10	2.30	2.80	4019505.85	0.816

CHAPTER III The extent of the impact of the IMF during the covid-19 economic crisis

UAE	415.02	44315.60	3.90	2.80	4.80	20667120.49	0.911
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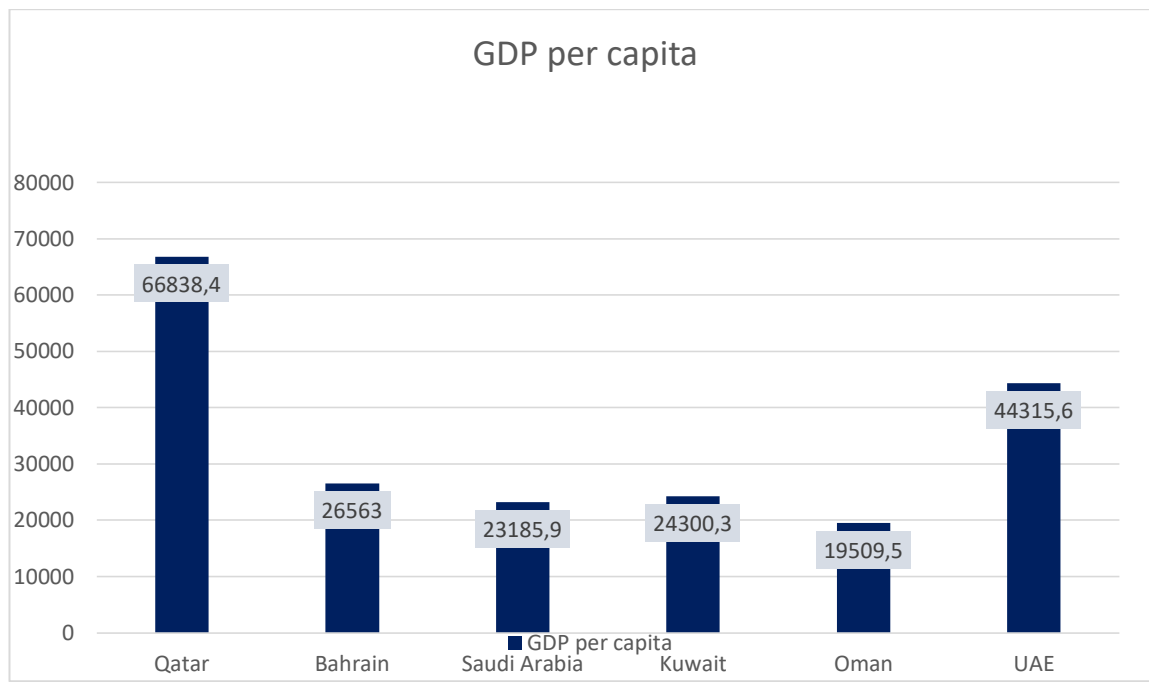


Made by the student using the World Bank data. (Latest update 2021)

The graph represents the gross domestic product levels in the high income economies. Saudi Arabia has the highest GDP level with 833.54 billion dollars, and that is due to implementing a number of economic reforms to diversify its economy, including promoting private sector growth, investing in infrastructure, and developing new industries such as tourism and renewable energy. In second place it was the UAE with 415.02 billion dollars, next Qatar with 179.68 billion dollars, then Kuwait with 105.96 billion dollars, then Oman with 88.19 billion dollars, and finally Bahrain with the lowest level of 38.87 billion dollars. In general, these countries are distinguished by their high gross domestic product.

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Figure 3-2: GDP per capita in high income economies in the MENA region.

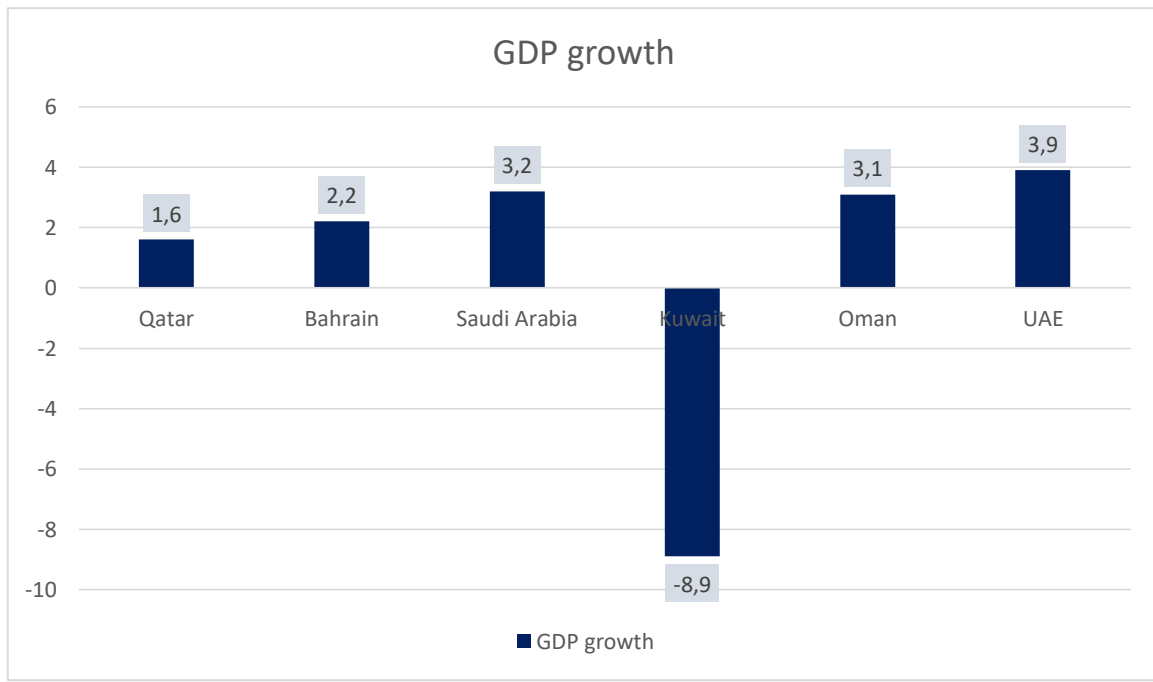


Made by the student using World Bank data.

This figure represents the Gross Domestic Product per capita and it shows super convergent values between the countries except for Qatar. UAE GDP per capita is 44,315.6, next Bahrain with 26,563 and then Kuwait 24,300.3, then Saudi Arabia 23,185.9 and Oman with 19,509.5. The highest value in the GDP per capita is in Qatar with 66,838.4 million dollars. Qatar has one of the highest GDP per capita in the world, due to its large oil and natural gas reserves, as well as its focus on investing in infrastructure and diversifying its economy. The country's small population also contributes to its high GDP per capita. Qatar's government has implemented a number of economic reforms to promote private sector growth and attract foreign investment, and the country has developed new industries such as tourism and renewable energy. Qatar's high GDP per capita has helped to make it one of the wealthiest countries in the world, with a high standard of living for its citizens.

CHAPTER III The extent of the impact of the IMF during the covid-19 economic crisis

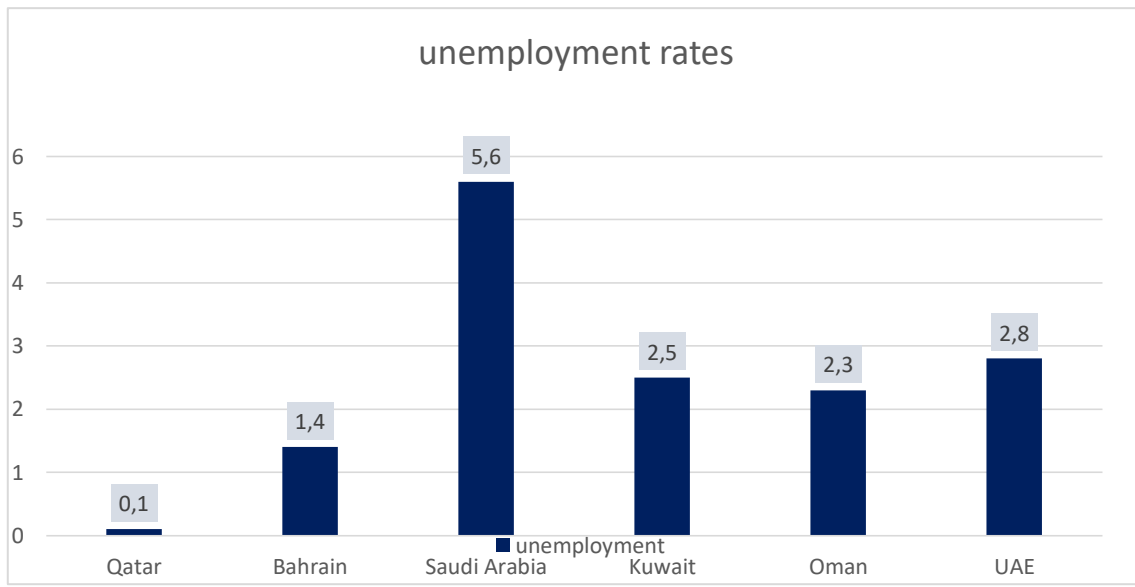
Figure 3-3: GDP growth in high income economies in the MENA region.



Made by the student with the use of World Bank data.

The figure represent the gross domestic product among the high income economies in the MENA region as we can see relatively low rates and that's because these percentages are from 2021 which is during the covid-19 crisis and despite the crisis these countries were able to achieve moderate rates. UAE had the highest GDP growth at 3.9% compared to Saudi Arabia 3.2, Oman 3.1%, Bahrain 2.2%, Qatar 1.6% and the lowest rate in Kuwait down to -8.9%. The GDP growth rose in 2022 The Saudi Arabia gross domestic product grew by 8.7 percent during 2022 compared to the previous year, thanks to the increase in production and prices of crude oil and derivatives, for the largest exporter of crude in the world. It is also estimated that overall real GDP growth will improve from -8.9% in 2020 to 1.3% in 2021.

Figure 3-4: Unemployment rates in high income economies in the MENA region.



Done by the student with the use of the World Bank data.

The figure represent the unemployment rates in high income economies in the MENA region the rates are relatively low and the highest level of unemployment is in Saudi Arabia 5.6% followed by the UAE at 2.8% than Kuwait at 2.5, than Oman with 2.3%, Bahrain 1.4% and lastly with the lowest rate Qatar 0.1% Unemployment rates are super low in Qatar because the country's rapidly growing economy has created many new job opportunities, particularly in industries such as oil and gas, construction, and finance. Additionally, Qatar has a relatively small population and a high demand for foreign labor, which has helped to keep unemployment rates low compared to other previous countries that share almost the same economic characteristics but have larger population.

Figure 3-5: Inflation rates in high income economies in the MENA region.

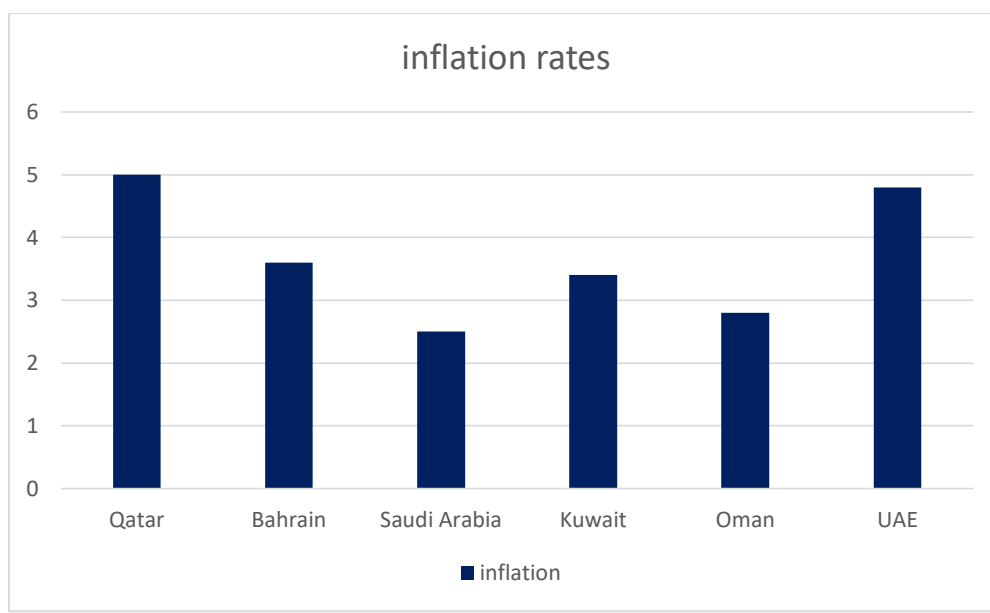


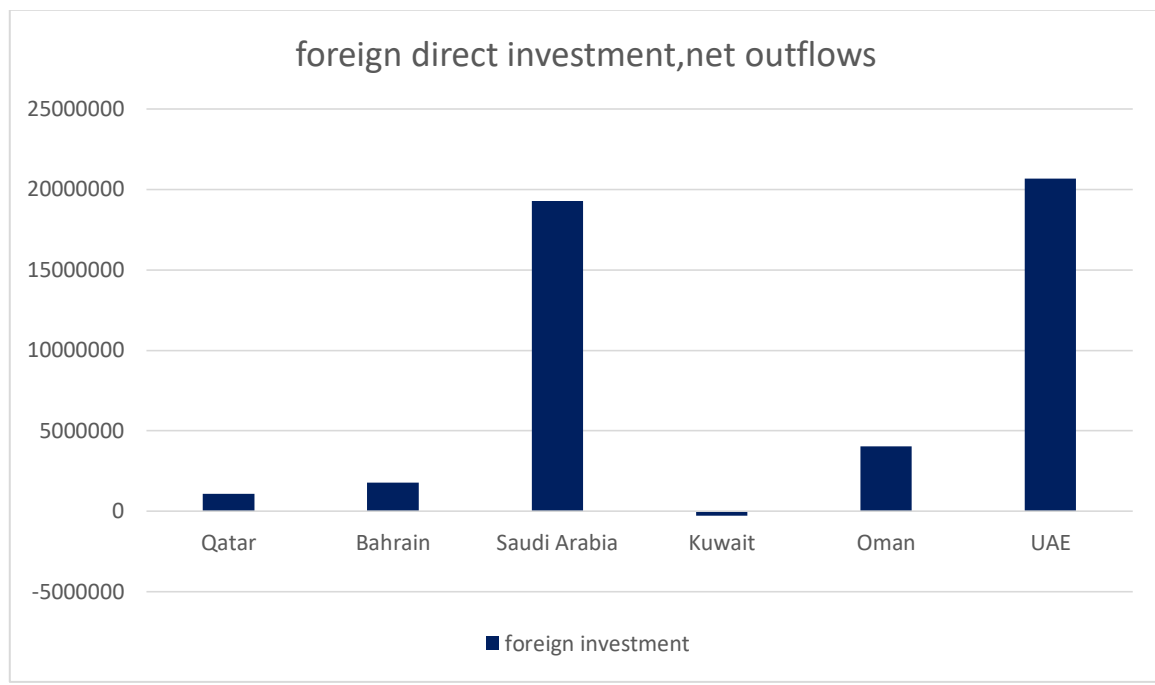
Figure 3-5: Inflation rates in high income economies in the MENA region.

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Done by the student with the use of World Bank data. (Latest update 2021).

The figure represent inflation rates in the high economies in the MENA region which shows relatively close rates between 2.5% as the lowest rate in Saudi Arabia followed by Oman with 2.8% next Kuwait at 3.4% than Bahrain at 3.6% next the UAE 4.8% and lastly Qatar with the highest rate at 5% basically the rates are a bit higher than the normal stat and that is because the statistics were calculated in 2021 the period of the epidemic inflation rates were high all around the world but these high income countries could still manage to keep their inflation rates at a moderate levels.

Figure 3-6: Foreign direct investment in high income economies in the MENA region



Done by the student with the use of the World Bank data (latest update 2021).

The figure represent the foreign direct investment, net outflows in the high income countries in the MENA region and it shows that there is a huge difference between Saudi Arabia /the UAE and the rest of the countries the UAE has the biggest foreign investment in the region with 20667120.49dollars followed by Saudi Arabia with 19285643.58 dollars and then the rest of the countries with much lower net outflows Oman 4019505.8, Bahrain 176597.45, Qatar 1093406.59 and lastly Kuwait -272335.31 dollars.

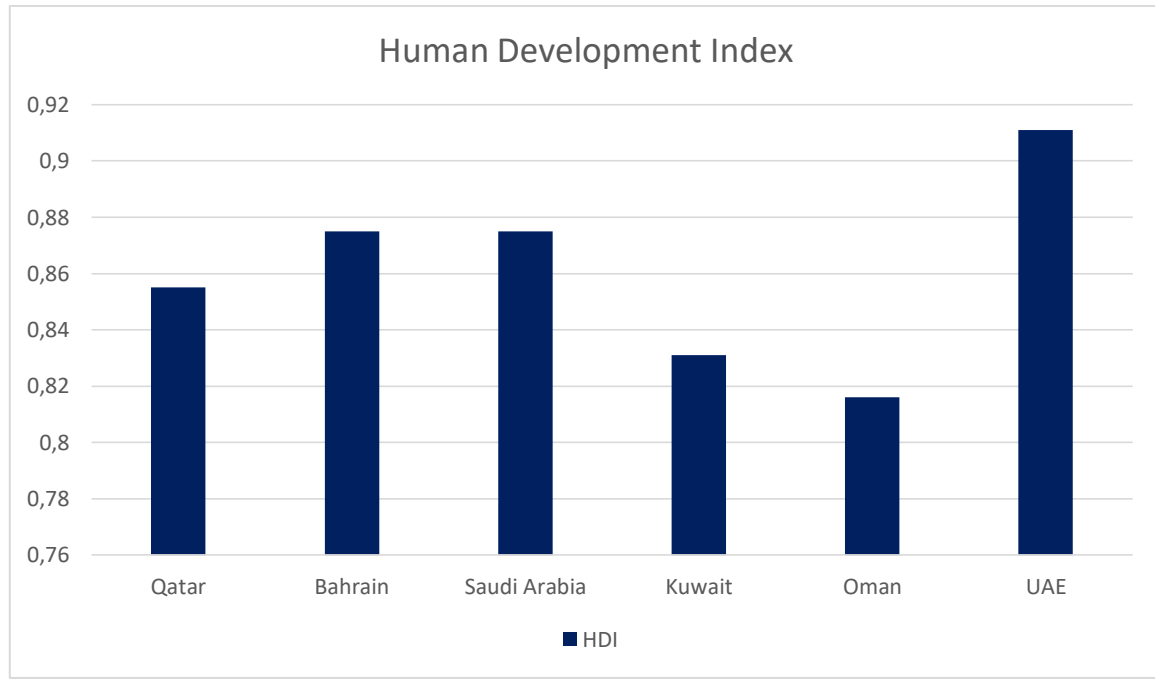
The UAE and Saudi Arabia have a large amount of foreign direct investment, with a particular focus on real estate, finance, and oil and gas. These countries has been working to diversify their economy and attract foreign investment in new industries, such as renewable energy, technology, and tourism. For the UAE its strategic location and business-friendly environment have helped to make it an attractive destination for foreign investment.

Kuwait has a relatively small amount of foreign direct investment compared to other countries in the region, due in part to its limited economic diversification and a relatively less business-friendly environment. The country's economy is heavily dependent on oil exports, which can make it more difficult to attract foreign investment in other industries. Additionally, Kuwait has been slower to implement economic reforms and attract foreign investment compared to some of its neighbors. However,

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the government has recently taken steps to promote private sector growth and attract foreign investment, particularly in areas such as infrastructure and healthcare.

Figure 3-7: Human developing index in high income economies in the MENA region.



Done by the student with the use of the World Bank data.

The figure represent The Human Development Index (HDI) in these high income economies the HDI is a summary measure of average performance in key dimensions of human development. A long and healthy life, knowledge, and a decent standard of living.

From the figure we can notice that these countries have close rates the highest rate is in UAE with 0.911%, followed by Saudi Arabia and Bahrain with the same rate 0.875%, than Qatar with 0.855% than Kuwait with 0.831% and lastly Oman at 0.816%. These countries have high Human Development Index (HDI) scores thanks to their substantial oil and gas reserves, which enable them to invest heavily in education, health care, and infrastructure. Moreover, these countries have made great strides in reducing poverty, improving access to education and health care. The governments of these countries also implement policies that promote economic growth and development, helping to improve the living standards of their citizens.

Conclusion: The high-income economies of Bahrain, Saudi Arabia, Kuwait, Qatar, the United Arab Emirates, and the Sultanate of Oman are highly dependent on oil and gas exports, which make up a large portion of their GDP and reflect their economic strength in the Middle East. To reduce their dependence on these industries, many of these countries have launched initiatives to diversify their economies, focusing on sectors such as tourism, finance, and technology. In addition, these countries have invested heavily in infrastructure, including airports, ports, and transportation networks, to support economic growth. Therefore, they are characterized by high rates of foreign investment, high per capita income, and economic growth that is increasing at a very fast pace. These countries are also characterized by low rates in unemployment and inflation.

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1.2 Low-middle/upper-middle economies

First: upper-middle income economies

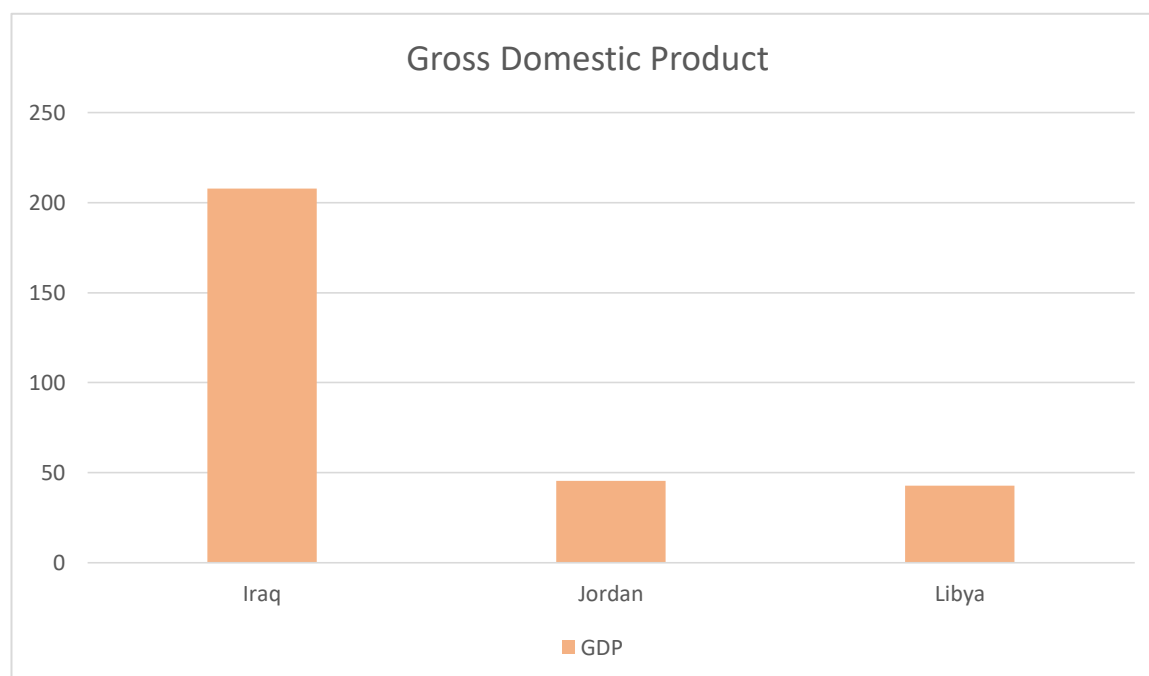
Upper middle-income economies are those with a GNI per capita between \$4,256 and \$13,205 according to the World Bank and in the MENA there are only 3 countries that are classified in this category which are Iraq, Jordan and Libya.

Table 3-2: Rates of the key indicators in the upper-middle income economies in MENA region:

countries	GDP	GDP per capita	GDP growth	Unemployment	Inflation	Foreign investment	HDI
Iraq	207.89	4775	2.80	15.50	5.00	-2637300	0.686
Jordan	45.64	4103.30	2.20	17.90	4.20	621380.99	0.720
Libya	42.82	6357.20	31.40	20.70	2.60	00	0.718

Made by the student using the World Bank data. (Latest update 202)

Figure 3-8: GDP in upper-middle income economies in the MENA region.

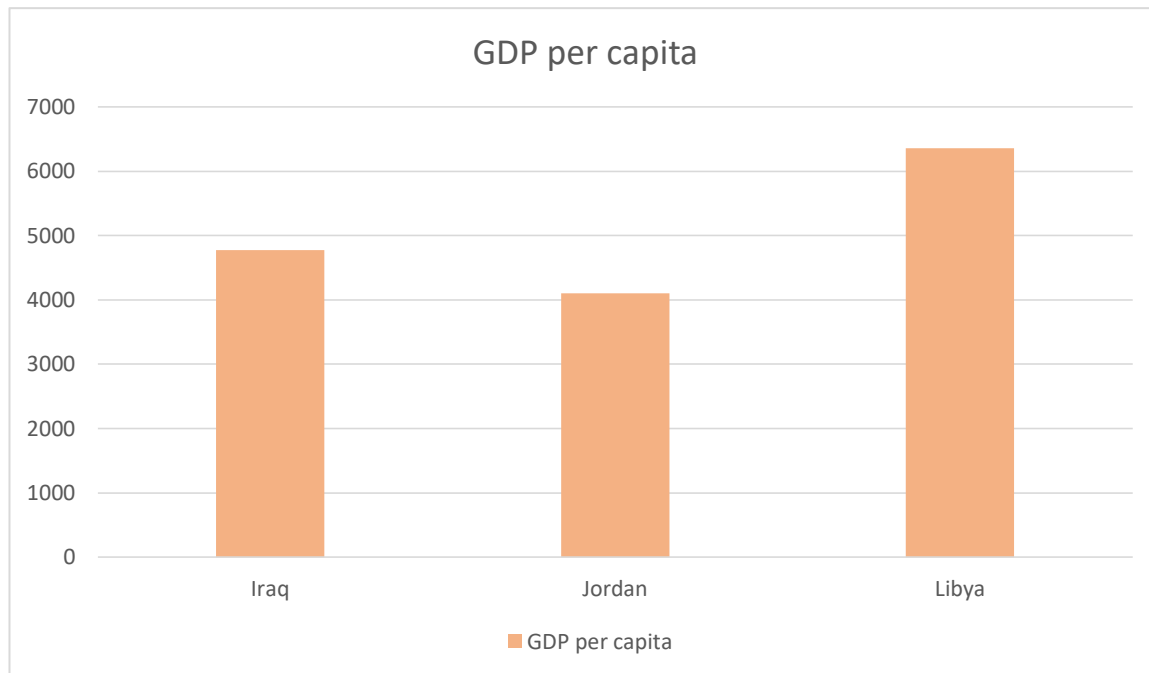


Made by the student by the use of the World Bank data. (2021)

The figure represent the gross domestic product in upper-middle income economies in the MENA region as we can clearly see these countries have lower rates compared to the high incomes economies. Iraq has a GDP of 207.89 dollars, which is so much higher compared to Jordan with 45.64 dollar and Libya with 42.82 dollar. Iraq has a large GDP due to its large oil reserves and exportation of oil.

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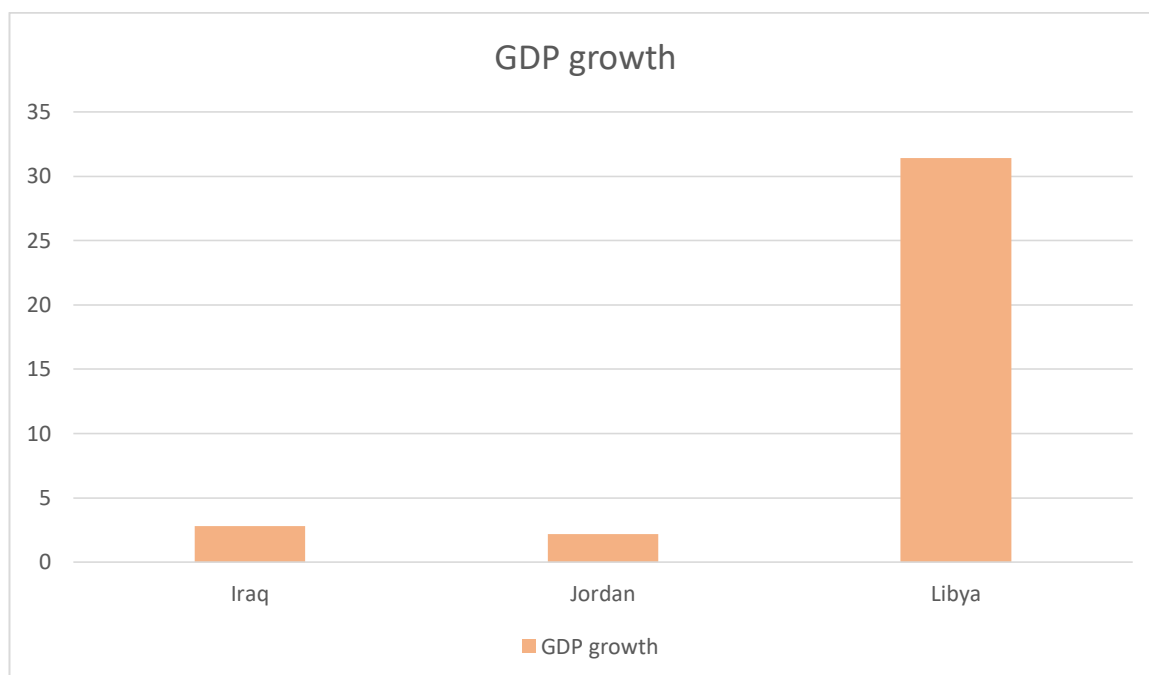
Figure 3-9: GDP per capita in upper-middle income economies in the MENA region.



Made by the student using the World Bank data. (2021)

The figure represent the GDP per capita in upper-middle income economies in MENA region. In general the GDP per capita levels are so much less than the levels in high-income economies the highest value is in Libya with 6357.2 dollars followed by Iraq with 4775.4 dollars and lastly Jordan with 4103.3 dollars as the lowest value.

Figure 3-10: GDP growth in upper-middle income economies in the MENA region

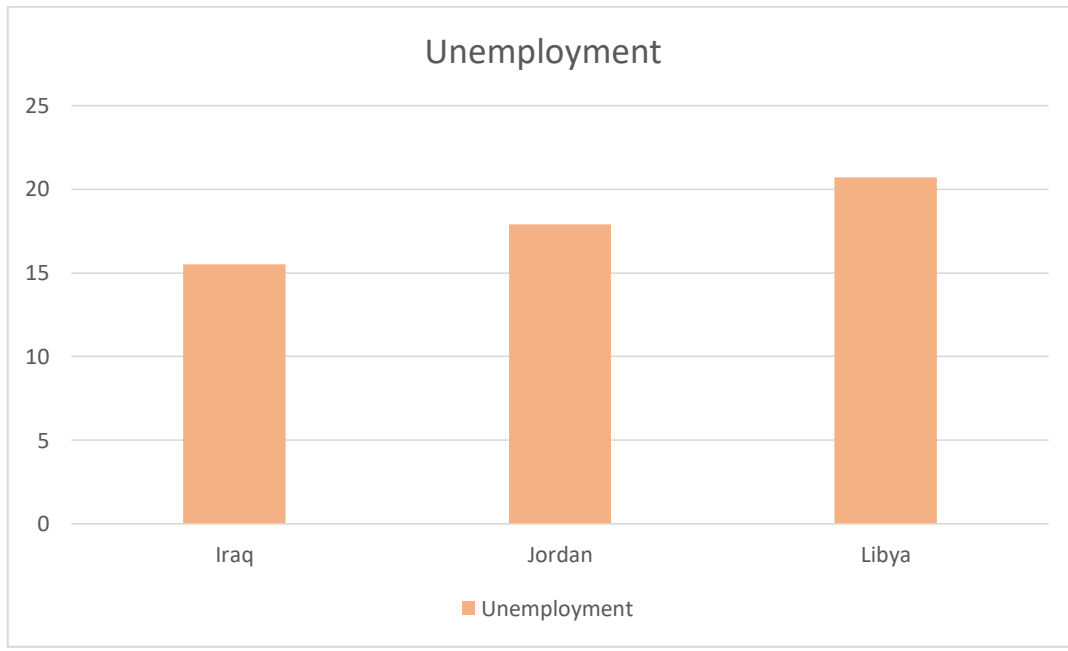


Made by the student using the World Bank data. (2021)

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The figure represent the GDP growth in these countries Iraq, Jordan and Libya. As we can see there is a huge difference between the rates in Iraq-Jordan and Libya, Iraq had a growth of 2.8% and Jordan had a GDP growth of 2.2% in Libya we can see a super-fast rate with 31.4% which is the fastest growth among all the countries in the MENA region and not only the upper-middle income economies, the main factor behind Libya's high GDP growth has been increased oil production and exports. In addition, the end of domestic conflicts may have contributed to growth.

Figure 3-11: Unemployment rates in upper-middle income economies in the MENA region.

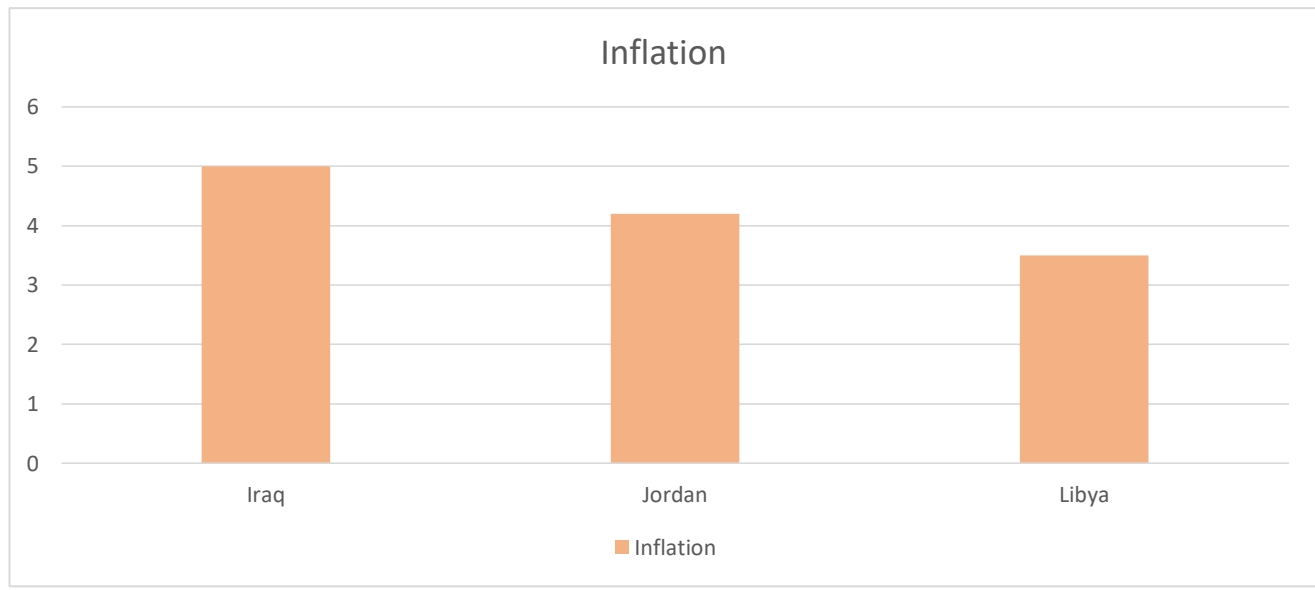


Done by the student using the World Bank data. (2021)

The figure represent unemployment rates in Iraq, Libya and Jordan the percentages appear relatively close and high compared to the high income economies. Libya has the highest rate of unemployment in the category with 20.7% followed by Jordan 17.9% followed by Iraq 15.5%. High unemployment rates in Iraq, Jordan, and Libya can be attributed to a variety of factors, including lack of job opportunities, inadequate training, and political instability. Additionally, certain industries in these countries may not be able to offer employment to all job seekers.

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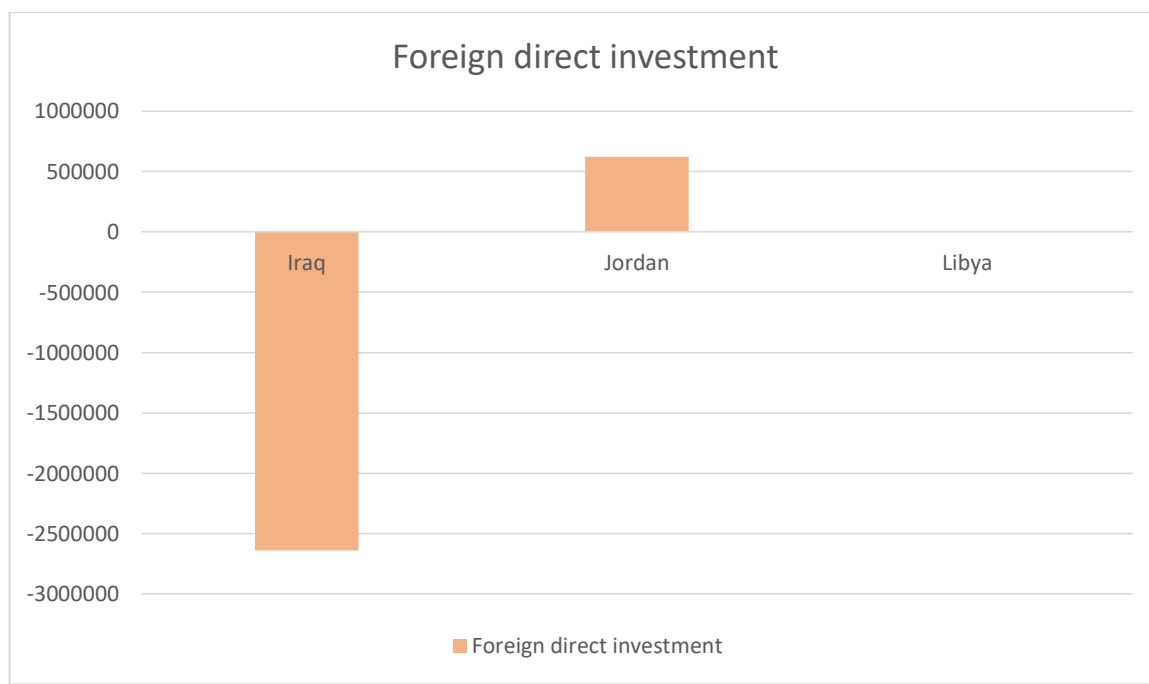
Figure 3-12: Inflation rates in upper-middle income economies in the MENA region.



Done by the student with the use of the World Bank data. (2021)

The figure represent the Inflation rates among the upper-middle income economies and as we can the rates are relatively close and high at the same time with the highest inflation rate in Iraq 5% followed by Jordan 4.2% and lastly Libya with 3.5% these values remain average neither are they high nor are they low in comparison with the high income economies.

Figure 3-13: Foreign direct investment in upper-middle income economies in the MENA region.



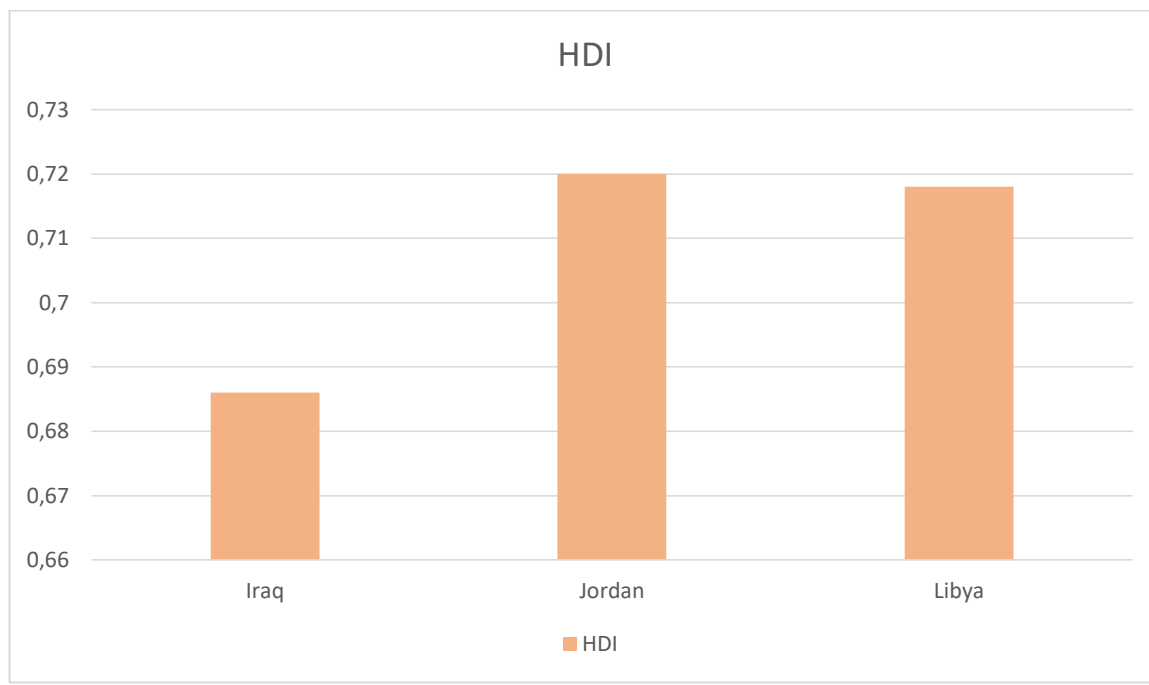
Made by the student with the use of the World Bank data.(2021)

The figure represents the foreign direct investment net outflows in the upper-middle income economies and as we can see there a super low values almost no foreign investment in this region except for Jordan

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which had 621380.99 dollars net outflows from the foreign investment, Jordan's political situation is relatively stable, but it faces challenges in terms of economic development. The country has a high debt-to-GDP ratio and the economy relies heavily on foreign aid and remittances, Libya with 00 dollars, Libya has been in a state of political turmoil, the country is now divided between her two opposing governments, leading to a lack of stability and security. And lastly Iraq with minus 2637300 dollars. Iraq faced significant political instability and security concerns. Its infrastructure has also suffered from years of conflict. These issues make it difficult for foreign businesses to operate in these countries.

Figure 3-14: Human developing index in upper-middle income economies in the MENA region.



Made by the student using the World Bank data.(2021)

The figure represent the human development index in the upper-low income economies in the MENA region as we can see Jordan has the highest rate of 0.720% Jordan's Human Development Index (HDI) is high due to several factors. The country has made great strides in areas such as education and healthcare, which are key components of the HDI. Jordan has a well-developed education system and a high literacy rate, in addition, Jordan has a relatively high life expectancy and a low infant mortality rate, indicating that medical care is well-developed. Followed by Libya with 0.718% which is an average rate considering that the country ongoing political instability and conflict and lastly Iraq with 0.686% Iraq's Human Development Index (HDI) has also been affected by years of conflict and political instability. Moreover, Iraq faces major challenges in providing basic services such as health care and education to its citizens. The country's relatively low literacy rate and high infant mortality rate are indicators of inadequate health care. In addition, the conflict has generated a large number of internally displaced persons and refugees, putting pressure on the country's resources.

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Conclusion:

Upper-middle-income economies such as Jordan, Iraq, and Libya have diversified economies, with industries ranging from agriculture to manufacturing. These countries also place a strong emphasis on education and human capital development, with significant investments in healthcare, education and vocational training. In addition, these countries are working to improve their infrastructure, including transportation networks, to support economic growth. These economies are characterized by relatively low unemployment rates, low inflation rates, and relatively high per capita income. These countries suffer from some political problems, which led to significantly reduced foreign investment

Part2: Lower-middle income economies

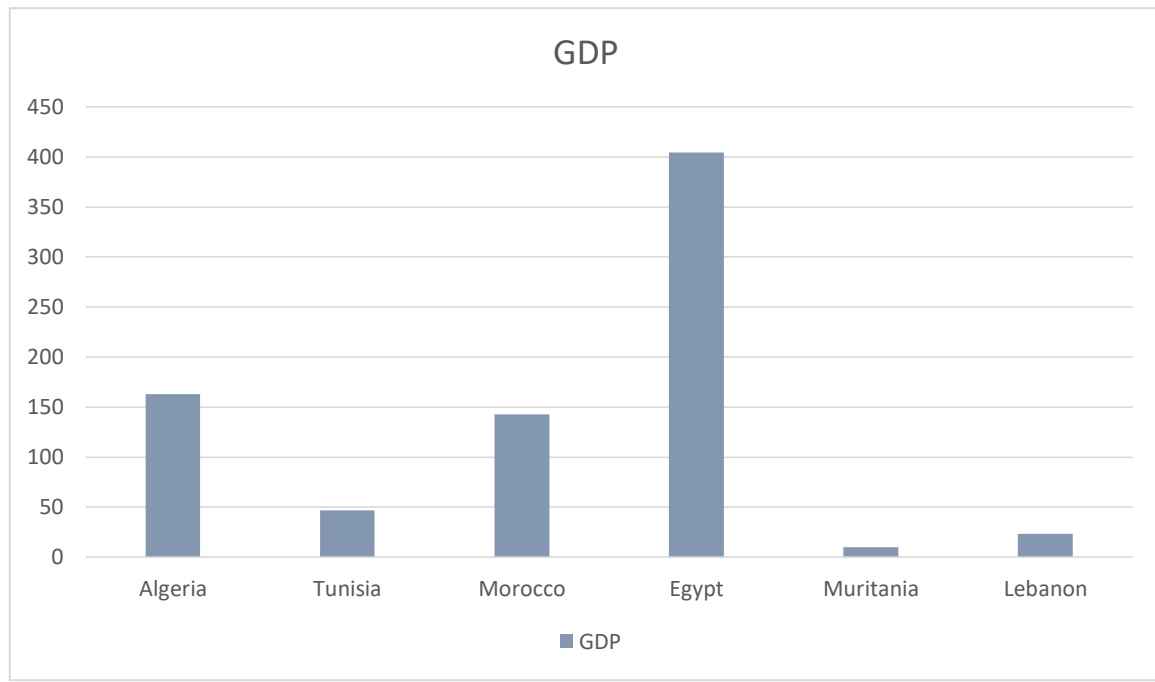
Lower middle-income economies are those with a GNI per capita between \$1,086 and \$4,255 which are in the MENA region Algeria, Egypt, Lebanon, Mauritania, Morocco and Tunisia

Table 3-3: rates of the key indicators in the low-middle income economies in MENA region:

Countries	GDP	GDP	GDP	unemployment	Inflation	Foreign direct investment	HDI
Algeria	163.04	3690.60	3.50	11.60	9.30	869.176	0.745
Tunisia	46.69	3807.10	4.30	16.10	8.30	533089.20	0.455
Morocco	142.87	3795.40	7.90	10.50	6.70	2150839.83	0.683
Egypt	404.14	3698.80	3.30	7.00	13.90	5122300.00	0.731
Mauritania	10.00	2166.00	2.40	11.10	9.50	1070252.55	/
Lebanon	23.13	4136.0	-7.00	12.60	154.80	597150.39	0.706

Made by the student with the use of World Bank data(2021).

Figure 3-15: GDP in low-middle income economies in the MENA region.



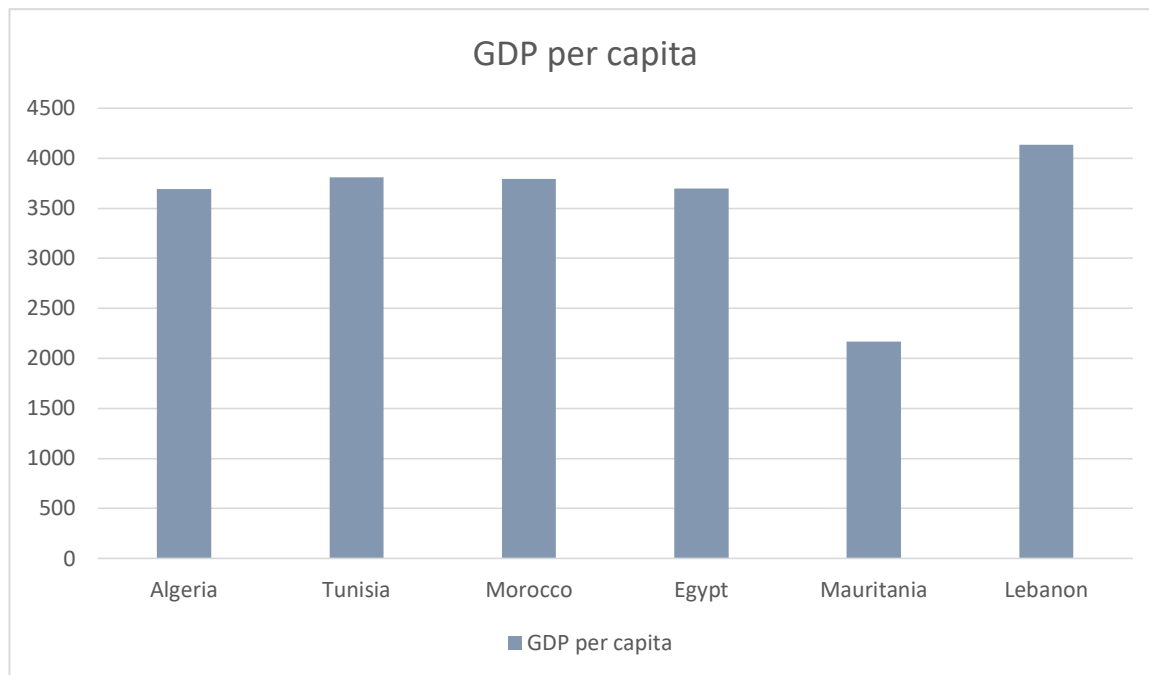
Made by the student with the use of the World Bank.

The figure represents the GDP in low-middle income countries in the MENA region. As we can see, there is a big difference between countries. The highest GDP in the category is in Egypt with 404.14 billion dollars, followed by Algeria with 163.04 billion dollars, Morocco with 142.87 billion dollars, Tunisia with 46.69 billion dollars, Lebanon with 23.123 billion dollars, and lastly the lowest value in Mauritania with 10 billion dollars.

Egypt has a large and diversified economy, with a strong service sector and a growing manufacturing sector contributing to a high GDP compared to other low and middle income countries. Algeria also has a lot of natural resources, such as oil and gas, which contribute to its high GDP. Tunisia's economy is diversified, especially in manufacturing industries such as textiles and electronics, and the growth of the service sector also contributes to GDP. However, the country faces economic challenges such as high unemployment, which can affect GDP growth. Morocco's economy is diverse, with a strong service sector, especially tourism, and a growing manufacturing sector, which contributes to GDP. Moreover, the country is strategically positioned to serve as a gateway to Europe and Africa. And lastly, Mauritania has a super low GDP. Mauritania's economy is primarily based on agriculture and fishing, which are less profitable than other industries such as oil and gas. Additionally, the country has limited infrastructure and faces the challenge of political instability that can impede economic growth.

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Figure 3-16: GDP per capita in low-middle income economies in the MENA region.

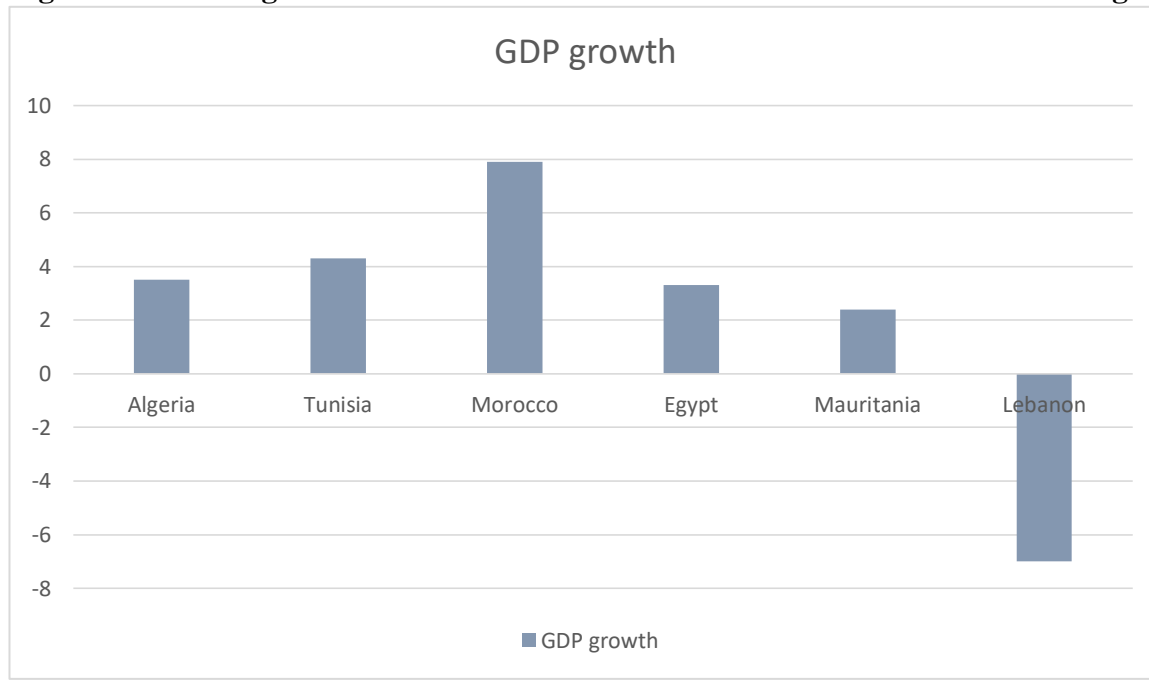


Made by the student with the use of the World Bank.(2021)

The figure represent the GDP per capita in the low-middle income economies in the MENA region we can clearly see the values are super similar or close with the highest value in Lebanon 4136million dollar followed by Tunisia 3807.1 million dollar and then Morocco 3795.4 million dollar than Egypt3698.8 million dollar and Algeria3690.6 and lastly Mauritania 2166. These countries have a bit lower GDP capita compared to the upper-middle economies we talked about previously but generally it's not super low.

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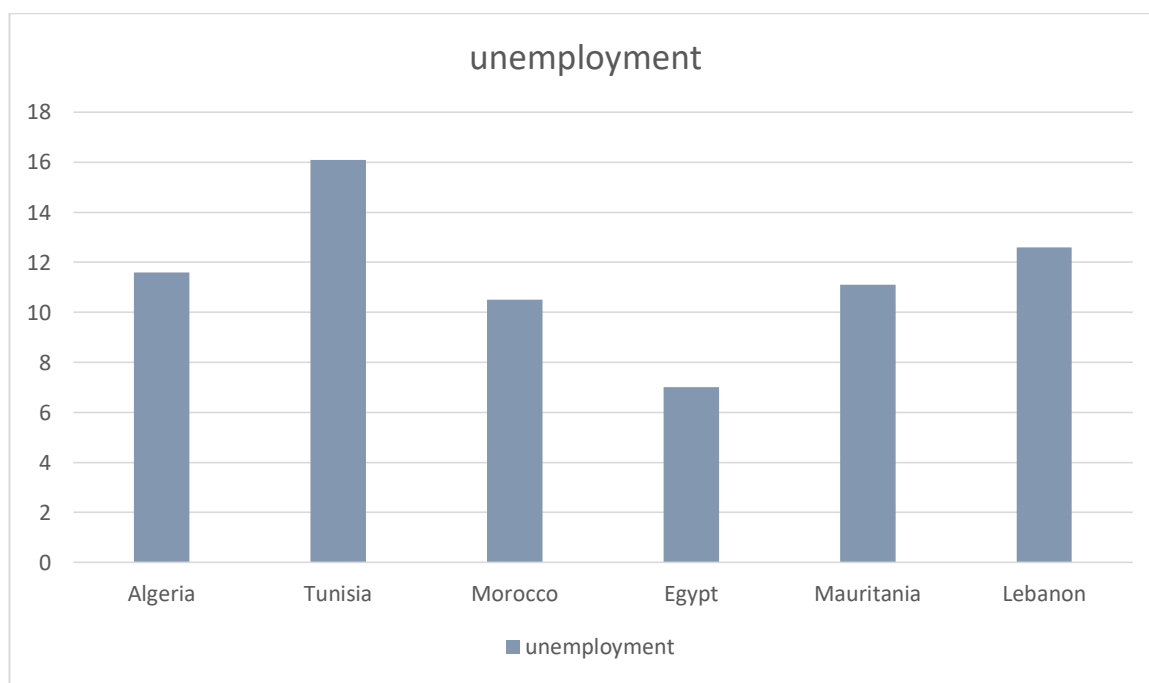
Figure 3-17: GDP growth rates in low-middle income economies in the MENA region



Made by the student with the use of the World Bank data.(2021)

The figure represent the GDP growth in the low- middle income economies in the MENA region it show that the rates of are super low and slow in comparison with the upper-middle and the high income economies, these countries face economic challenges such as political instability, limited infrastructure, high levels of government debt, and high unemployment rates that can affect GDP growth. In addition, these countries may face challenges in attracting foreign investment and developing industries, which may limit their economic growth potential.

Figure 3-18: Unemployment rates in low-middle income economies in the MENA region.

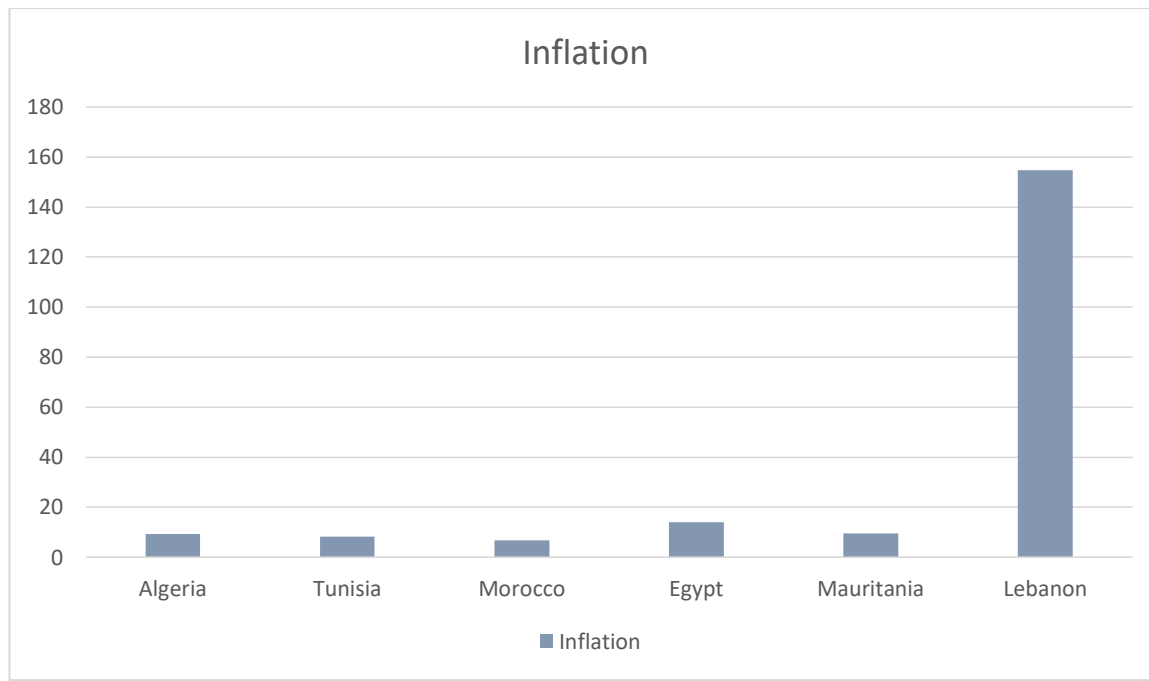


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Made by the student with the use of the World Bank data.(2021)

The figure represent the unemployment rates in the low-middle economies, the figure shows super high rates in all the category the highest rate is Tunisia 16.1% followed by Lebanon 12.6% followed by Algeria 11.6% than Mauritania 11.1%, Morocco 10.5% and lastly Egypt 7% .the unemployment rates can be affected by a variety of factors, including limited employment opportunities, limited access to education and training, and political instability, especially in certain industries.

Figure 3-19: Inflation rates in low-middle income economies in the MENA region.

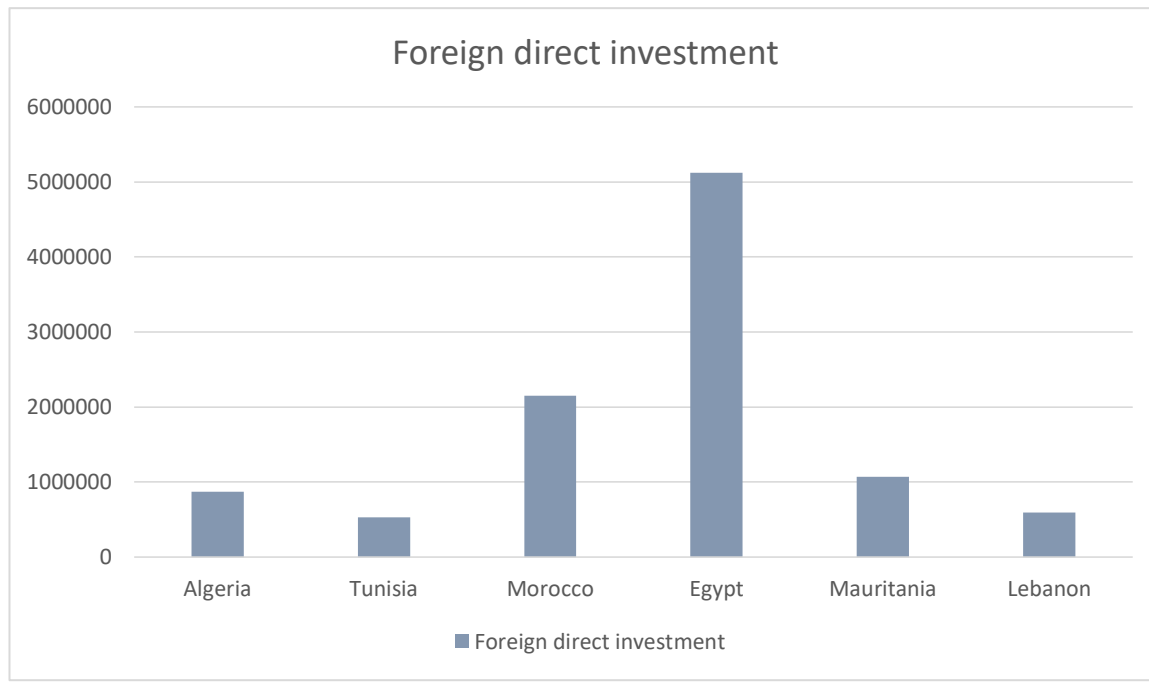


Made by the student with the use of the World Bank data.(2021)

The figure represent inflation rates in the low-middle incomes economies in the MENA region, as we can see the rates are super high compared to upper-middle and high income economies the rates are: 154.8% in Lebanon which is a tragic percentage Lebanon's high inflation rate can be attributed to political instability, economic challenges, and high government debt. In addition, the country has seen a decline in foreign investment and tourism, than Egypt 13.9% which is low in comparison with Lebanon followed by Mauritania 9.5% and then Algeria 9.3% , Tunisia 8.3% and lastly Morocco as the lowest percentage 6.7% the inflation rates were infected the last few years specially during and after the covid-19 crisis.

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Figure 3-20: Foreign direct investment in low-middle income economies in the MENA region.

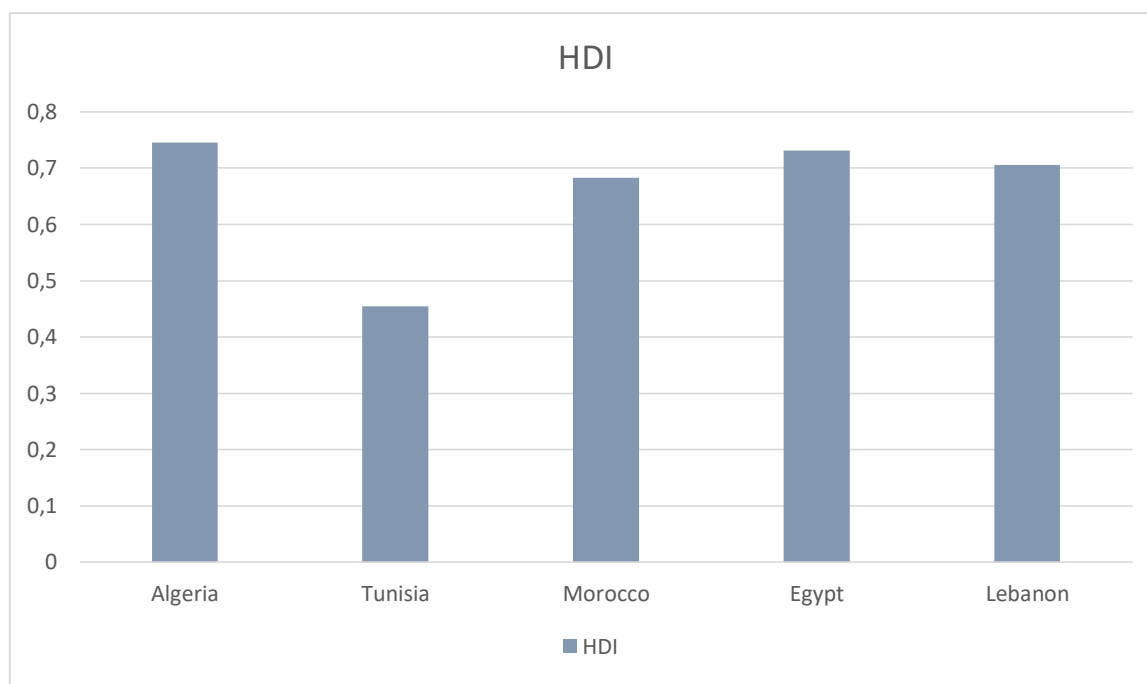


Made by the student with the use of World Bank data.(2021)

The figure represent the foreign direct investment (net outflow) in the low-middle income economies in the MENA region. We can see the revenues from the foreign direct investment in this category are super low in comparison with the upper-middle income economies and the high income economies Egypt the only country with a high foreign direct investment in this category which is 5122300 billion dollars followed by Morocco 2150839.83 million dollars than Mauritania 1070252.55 than Algeria 869176.32, Lebanon 597150.39 and lastly Tunisia 533089.2. Egypt has been able to attract foreign direct investment in recent years due to several factors such as its large population, strategic location, and natural resources. Additionally, the country has implemented several economic reforms to improve the business environment. Reduce bureaucracy, improve infrastructure, and provide incentives for foreign investors. Egypt also saw growth in key sectors such as energy, technology, and manufacturing, helping to attract foreign investment.

The low FDI outflows in Algeria, Tunisia, Morocco, Lebanon, and Mauritania can be attributed to various factors including political instability, economic challenges, and a lack of incentives for foreign investors. In addition, these countries may face challenges in industrial and infrastructure development, which may limit their ability to attract foreign investment.

Figure 3-21: Human developing index in low-middle income economies in the MENA region.



Made by the student with the use of the World Bank data.(2021)

The figure represent the human development index in the low-middle income countries in the MENA region as it is shown the percentages are kind of similar and close. With the highest rates in Algeria 0.745 % followed by Egypt 0.731% followed by Lebanon 0.706% and then Morocco 0.683% and lastly the lowest rate Tunisia with only 0.455%. We can say that these rates are not that different from the upper-middle income economies and even the high income economies

These countries did a great job at providing better education, healthcare and economic opportunities.

1.3 Part 3: Low-income economies

Low-income economies are defined as economies with a GNI per capita of USD 1,085 or less in 2021, calculated using the World Bank Atlas methodology. In the MENA region low-income economies are Yemen, Sudan and Syria. Low-income economies like Yemen, Sudan, and Syria are often characterized by political instability, conflict, and limited access to education and healthcare. These countries also tend to have high levels of poverty, food insecurity, and limited economic opportunities.

Conclusion: Low-middle-income economies like Algeria, Tunisia, Morocco, Egypt, Mauritania, and Lebanon are characterized by a mix of agriculture, manufacturing, and service industries. These countries have been working to improve their infrastructure, including transportation networks, to support economic growth. Additionally, these countries have made significant investments in education and human capital development, with a focus on improving literacy rates and vocational training. However, these countries also face challenges such as high unemployment rates, political instability, and corruption

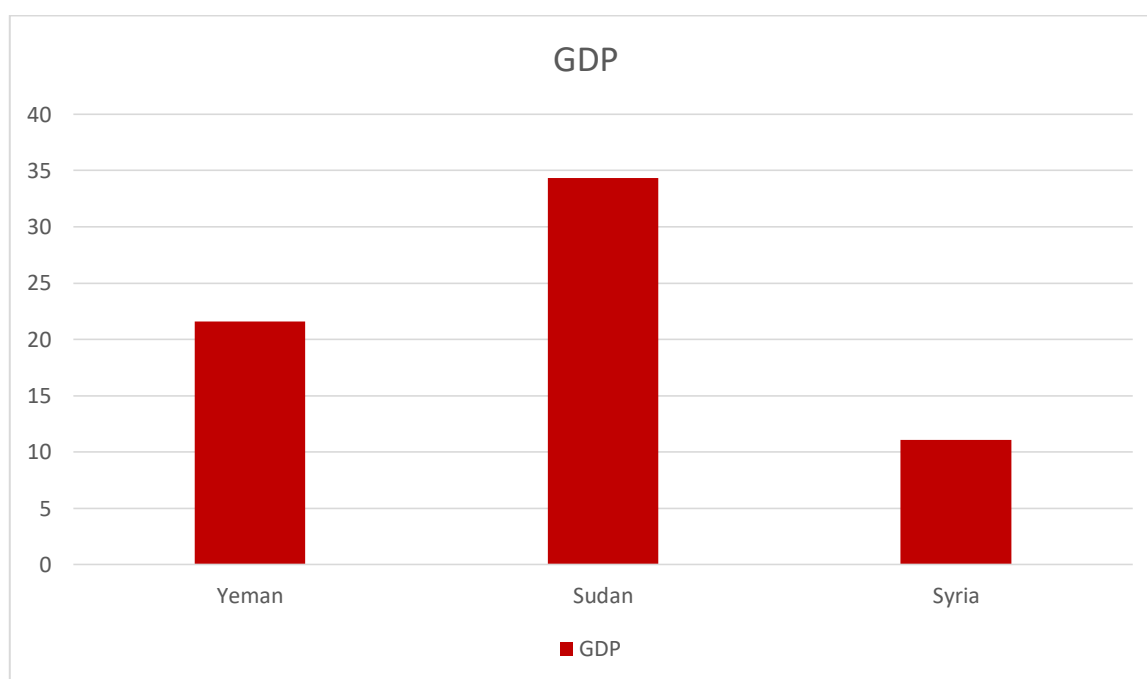
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Table 3-4: Rates of the key indicators in the low income economies in MENA region: (Yemen, Sudan and Syria)

Countries	GDP	GDP per capita	GDP growth	Unemployment	Inflation	Foreign direct investment	HDI
Yemen	21.61	701.70	0.80	13.60	8.10	-370982.78	0.455
Sudan	34.33	751.80	-1.90	18.70	382.80	804162.64	0.508
Syria	11.08	533.40	-3.90	9.60	36.70	522869.62	0.577

Made by the student with the use of World Bank data (2021)

Figure 3-22: the GDP in the low income economies



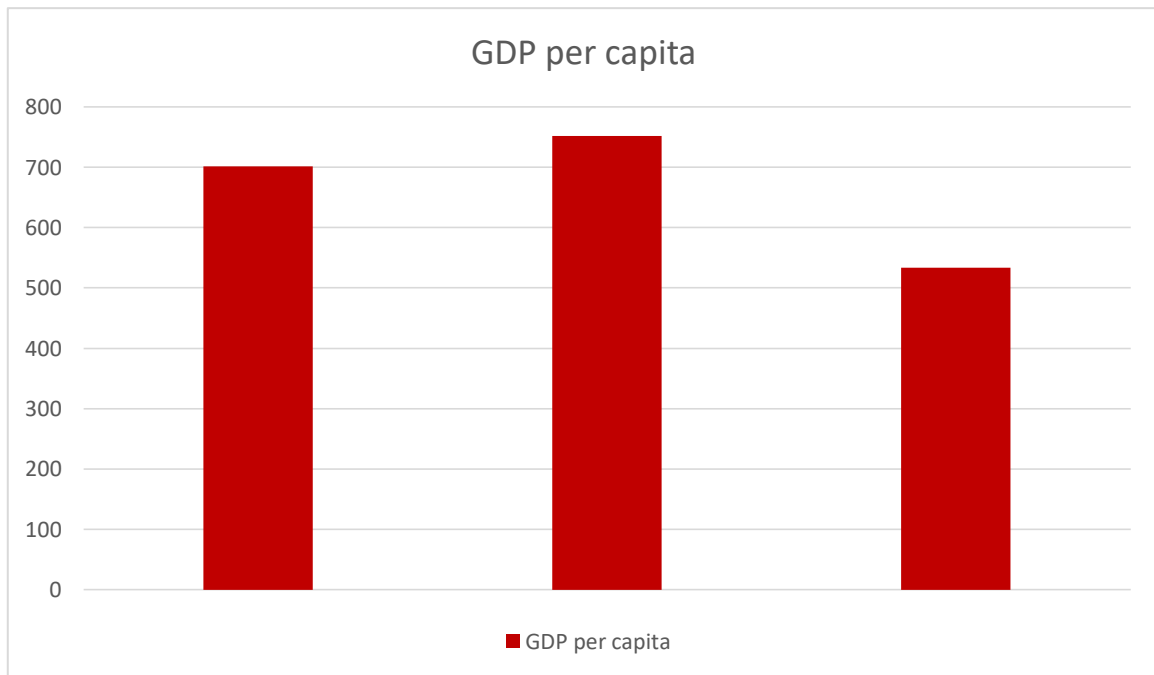
Made by the student with the use of World Bank data. (2021)

The figure represent the GDP in the low income economies in the MENA region Sudan the highest GDP with 34.33 billion dollars followed by Yemen 21.61 billion dollars and lastly Syria 11.08 billion dollars.

These countries have a super low GDP compared to economies from the high/upper-middle/low-middle economies Sudan, for a variety of reasons, including political instability, conflict, and economic sanctions. These factors can make it difficult for these countries to attract foreign investment, develop their economies, and provide basic services to their citizens.

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Figure 3-23: GDP per capita in low income economies in the MENA region.

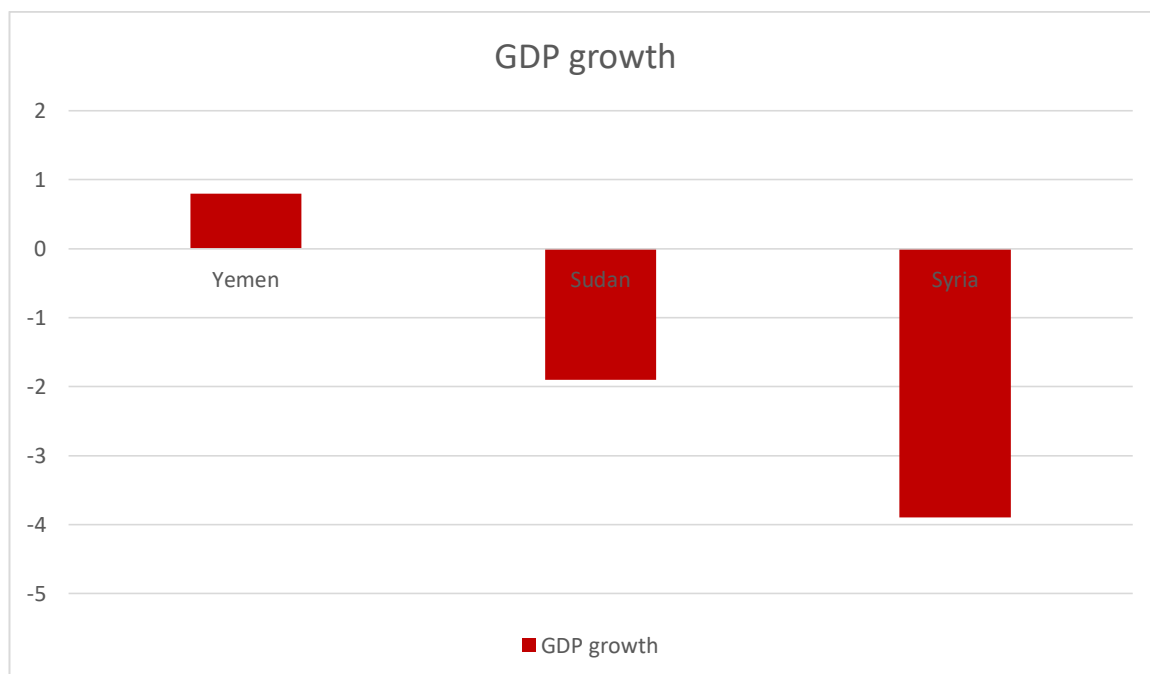


Made by the student with the use of World Bank data.(2021)

The figure represent the GDP per capita in the low income economies in MENA region. From what is shown we can see the values are relatively close Sudan with the highest GDP per capita level 751.8 followed by Yemen 701.7 and lastly Syria with 533.4 million dollars.

These levels are super low compared to other countries in the MENA region and again it is due to the no ending conflicts in the region which makes the economy super weak.

Figure 3-24: GDP growth rates in low income economies in the MENA region.

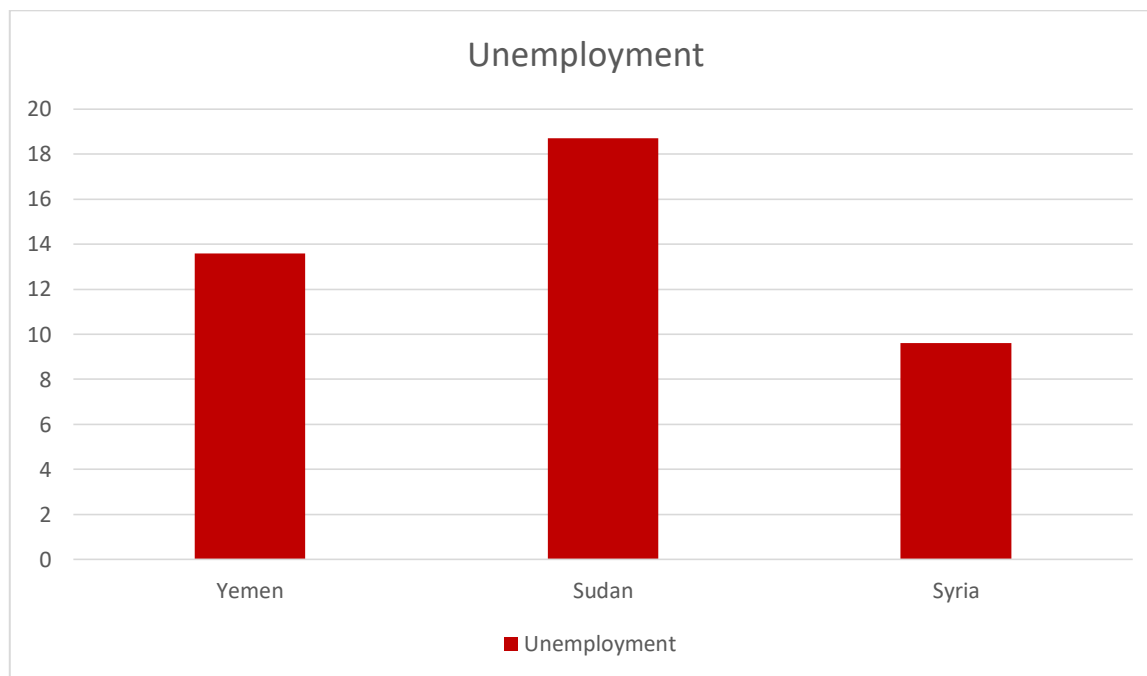


Made by the student with the use of World Bank data. (2021)

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The figure represent GDP growth rates in the countries Yemen, Sudan and Syria, the lowest and worst rate in Syria -3.9% followed by Sudan -1.9% and Yemen 0.8 % the GDP growth are extremely low since these countries keep facing political problems and don't make any improvement for over the past ten years due to the conflict and instability in the economy system.

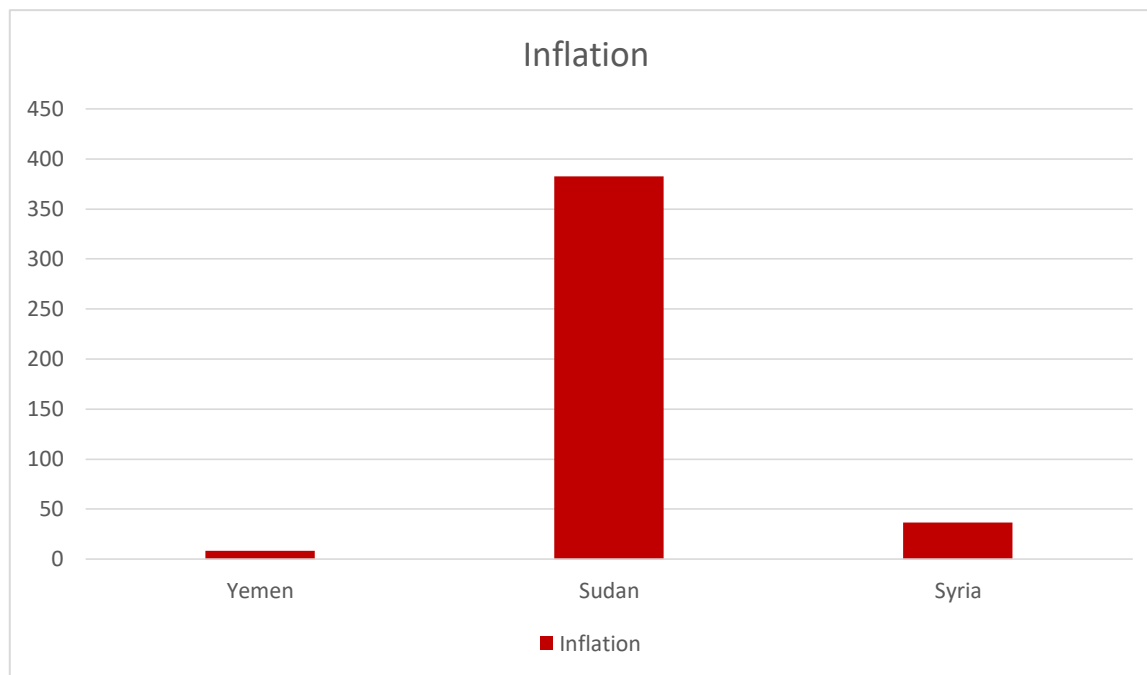
Figure 3-25: Unemployment rates in low income economies in the MENA region.



Made by the student with the use of bank world data. (2021)

The figure shows the unemployment rates in Yemen, Sudan and Syria. Sudan has the highest rate among the three of them with 18.7%, followed by Yemen 13.6 % and lastly Syria the lowest rate 9.6%. The unemployment rates in these countries are not really high compared to the low-middle income economies but they are still considered high.

Figure 3- 26: Inflation rates in low income economies in the MENA region.



Made by the student with the use of World Bank data. (2021)

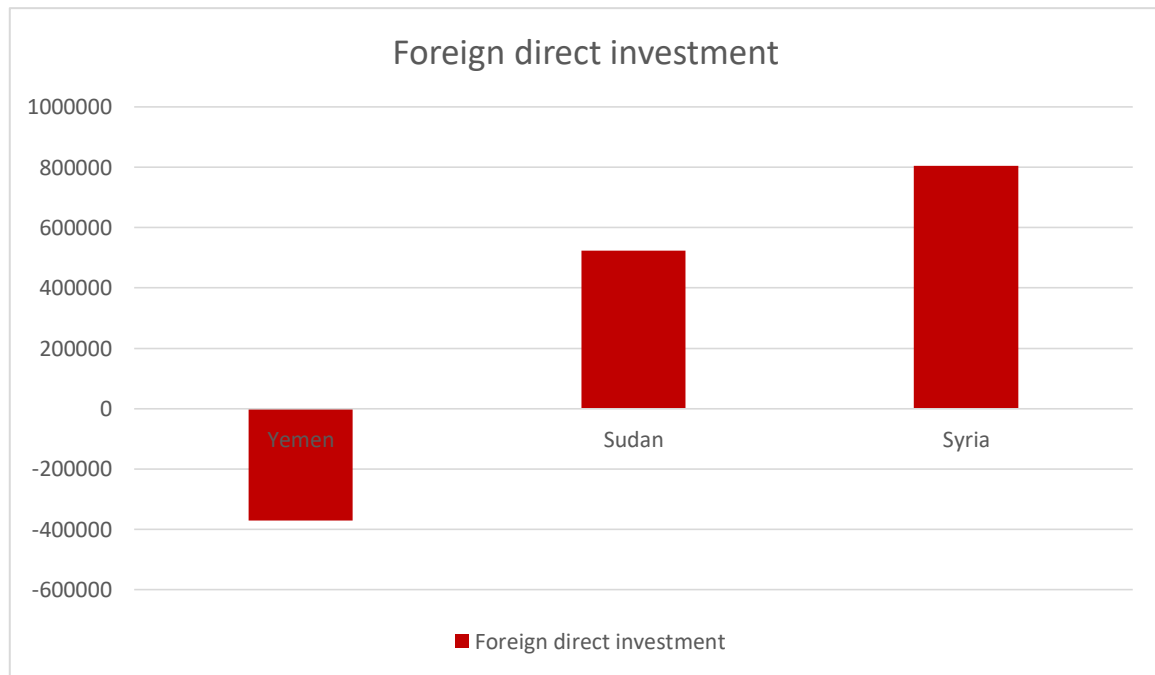
The figure represent the inflation rates in the Yemen, Sudan and Syria, there is a very big difference between percentages from one country to another, and for instance Yemen inflation rate is 8% which is an average percentage compared to Syria at 36.7% which is a super high rate but still low compared to the highest rate in Sudan 382.8% Sudan's high inflation is due to a combination of factors, including political instability, conflict and economic sanctions, making it difficult to stabilize the country's economy and control inflation. In addition, Sudan has a shortage of foreign currency, which has led to the devaluation of the Sudanese pound, further fueling inflation. The government also prints money to finance the budget deficit, which contributes to higher inflation. All these factors combined to cause high inflation in Sudan.

Made by the student with the use of World Bank data.

This figure shows the foreign direct investment net outflows in the region Yemen, Sudan and Syria, Syria with the highest revenues from foreign investment at 804162.64 billion dollar followed by Sudan at 52289.62 billion dollar than Yemen with the lowest value at -370982.78 billion dollars. Foreign direct investment (FDI) in Sudan, Yemen, and Syria remains relatively low due to a combination of factors such as political instability, conflict, and economic sanctions as I said previously creating an uncertain business environment and making it difficult for investors to operate. Furthermore, these countries may lack the necessary infrastructure, institutions, and policies to attract foreign investment, such as transparent legal systems, protection of property rights, and investment incentives. All these factors lead to low foreign direct investment in these countries.

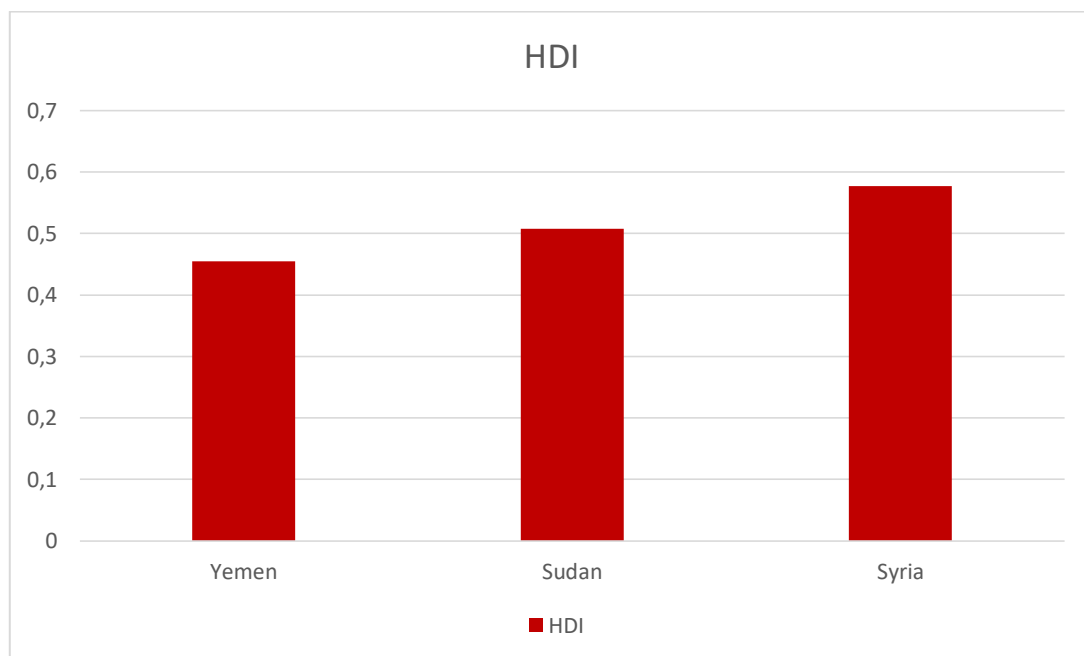
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Figure 3-27: Foreign direct investment in low income economies in the MENA region.



Made by the student with the use of World Bank data (2021)

Figure 3-28: Human developing index in low income economies in the MENA region.



Made by the student with the use of the World Bank data. (2021)

The figure represent the human development index (HDI) in Yemen, Sudan and Syria. The rates are so much lower compared to the previous economies (high-income economies and upper and upper-middle economies). The highest rate is in Syria with 0.577% followed by Sudan at 0.508% and lastly Yemen with only 0.455%. Human Development Index (HDI) rates in Sudan, Yemen, and Syria are relatively low due for so many different reasons as I said previously political instability, wars...etc. those factors have created an uncertain business environment, limited access to basic services such as healthcare and

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education, and made it difficult for these countries to invest in human development. Additionally, it also have led to large-scale displacement, which has further impacted the HDI rates in these countries. All these factors combined have resulted in lower HDI rates in Sudan, Yemen, and Syria.

Conclusion: Low-income economies such as Yemen, Sudan and Syria are characterized by a mixture of agriculture and service industries. These countries have relatively low levels of economic development, with limited infrastructure and a lack of investment in human capital. In addition, these countries faced political instability and conflicts, which further hindered economic growth. As a result, these countries have some of the lowest GDP per capita in the world, high unemployment rates, very high inflation rates, and their populations often face significant challenges related to poverty, food insecurity, and access to basic services such as health care and education, which is indicative of Very low human development.

2 Section 2: The impact of the crisis on the MENA area:

The spread of the coronavirus (Covid-19) has impacted the health, social and political systems of developed and developing countries, including most countries of the world in health, economic and social terms. Governments have tried to balance the health and epidemiological situation on the one hand, and the economic situation on the other, in order to avoid harm in both cases, the economy was hit hard as the crisis was accompanied by rising unemployment and inflation, falling oil prices, turbulent global trade trends, and other myriad issues.

2.1 The impact of the crisis on oil prices and tourism:

-The impact of the crisis on oil prices

The COVID-19 pandemic and associated containment measures have caused an unprecedented slowdown in global economic activity and a global slump in demand for petroleum products in 2020. Production in the Middle East and North African oil-exporting countries is estimated to have fallen by 5.7% from last year to 2022. (The Organization for Economic Cooperation and Development, 2020)

Although the epidemic is not as severe as in other regions, the Arab regions very low-income levels and relatively high poverty rates compound the problem and make it difficult to control what is happening. The Gulf region is hanging. On April 9, 2020, when the collapse in oil demand sent prices to their lowest level in 18 years, OPEC announced on April 9, 2020, that it would reduce oil production to 10 million barrels per day, Or 10% of global production than before the crisis, and the production will be cut to 8 million barrels from July to December this year.

Before the Covid-19 crisis and oil price crash, Middle Eastern countries were already facing a slowdown in economic growth as oil prices fell to levels well below preferred prices to cover costs and balance revenues and expenses. Algeria, for example, needed \$109 a barrel and Saudi Arabia \$83 a barrel, but at prices of \$20-30 a barrel the gap was widening, and all OPEC members, It means they are forced to borrow or their financial reserves are depleted. , and the countries of the Arab Gulf Cooperation Council will also face a deficit of \$140 billion if this continues. A barrel is priced in the \$30s, which requires significant cuts in public spending and borrowing Arab oil exporters were hit with the double shock of a

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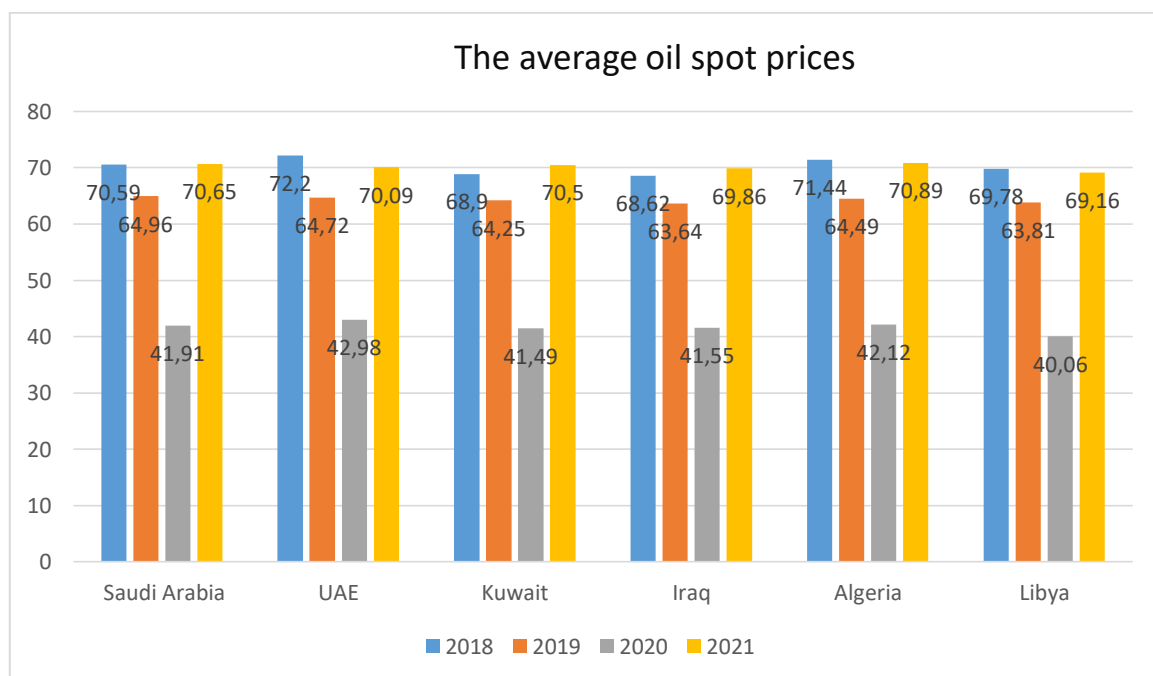
35% drop in global oil prices and an 11.4% drop in production due to lower oil demand, this has led to a significant drop in production across the petroleum sector. (Ibtissam & Charif, 2022) (Arabic resource)

Table 3-5: Oil prices in the MENA area before/during/and after the covid-19 crisis:

Countries	2018	2019	2020	2021
Saudi Arabia ()	70.59	64.96	41.91	70.65
UAE	72.2	64.72	42.49	70.09
Kuwait	68.9	64.25	41.94	70.50
Iraq	68.62	63.64	41.55	69.86
Algeria	71.44	64.49	42.12	70.89
Libya	69.78	63.81	40.06	69.16

Prepared by the student using the report of the Organization of Arab Petroleum Exporting Countries (OPEC)

Figure3-29: The average oil spot prices.



Made by the student using the report of the Organization of Arab Petroleum Exporting Countries (OPEC).

From the figure we can see that prices went from an average of 70 dollar per a barrel in 2018 before covid-19 crisis down to 63 dollar at the start of spread in 2019 heading to the lowest point at 40dollar in 2021 because of the decrease in demand due to the closure of many countries, with the cancellation of flights in this region, as airlines stopped their planes, which affected economic activity and demand for

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fuel, as the means of transportation whose services were stopped consume about 30% alone, along with war prices between the Kingdom of Saudi Arabia and Russia, and the reason is Russia's refusal to cut crude oil production to keep prices at a moderate level ,the economic conflict caused oil prices to plummet in the spring of 2020, turning negative on April 20, sending oil prices down 65% for the quarter, price wars are one of the main causes of the global stock market crash, as well as one of its main consequences.

Falling prices are generally good for oil importers and bad for oil exporters, a simple way to get an idea of the magnitude of the impact of oil price changes on real incomes is to multiply the difference between production and consumption (net oil exports) as a percentage of GDP by the percentage change in oil prices.

However, in the Middle East and North Africa region, lower oil prices are likely to hit both importers and exporters, with exporters directly as well as foreign direct investment, remittances, tourism and exporters could indirectly hurt importers through reduced subsidies to We still have buffers and need to use them. Other oil exporters such as Algeria and Iran are running out of buffers and rely on floating exchange rates to navigate the current situation and implement much-needed reforms in private sector development and broader economic transformation need to do it. A recession would exacerbate already high public debt among net oil importers such as Egypt, Jordan and Lebanon. (Rabah & Ha, 2020)

The impact of the crisis on Tourism industry:

Tourism is one of the most important economic sectors in the world. It is the third largest export category (after fuels and chemicals) and one of the hardest hit sectors by the COVID-19 pandemic. According to an October 2020 Arab Monetary Fund study titled “Impact of tourism on economic growth in Arab countries,” the GDP of the tourism sector was \$313.6 billion in 2019, the tourism sector contributing to Arab GDP was found to contribute 11.4% of The sector, The growth rate was 2.2% this year, reaching 107 million tourists to the Arab world this year.

Table 3-6: Number of arrivals in the Mena region:

Countries	2018	2019	2020
Algeria	26570000	23710000	5910000
Tunisia	82990000	94290000	20120000
Bahrain	120450000	110610000	19090000
Oman	32420000	35060000	8690000
Jordan	49220000	53610000	12400000
UAE	230920000	252820000	80840000
Morocco	124890000	131090000	28020000

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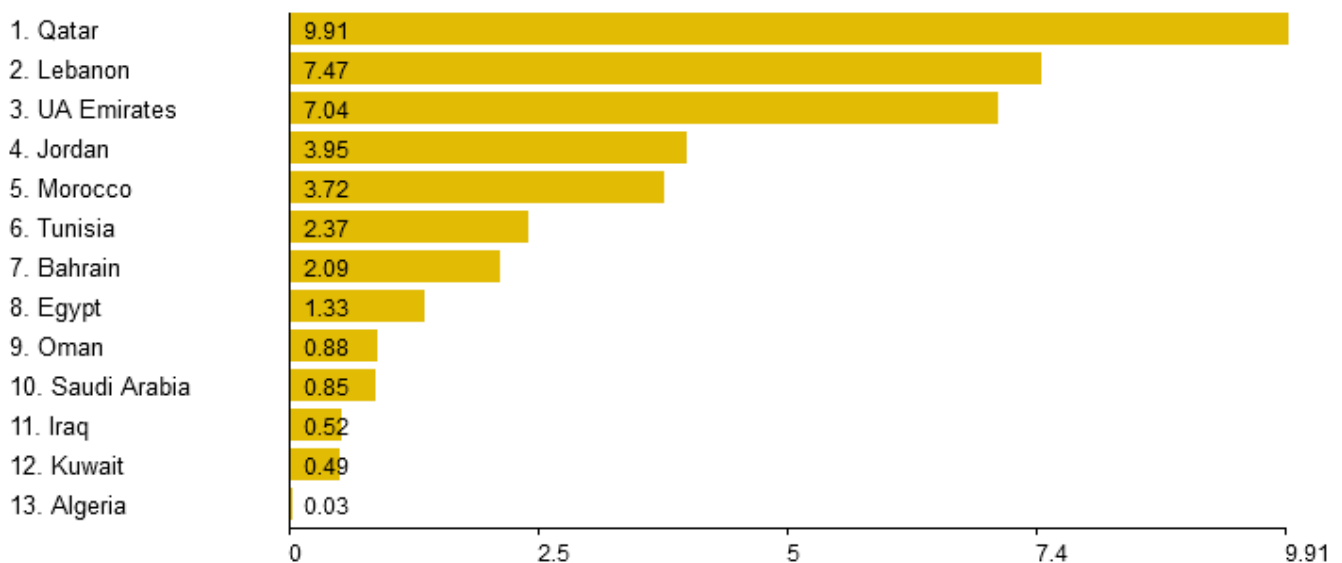
Qatar	18190000	21365000	5820000
Kuwait	85080000	85650000	21610000
Saudi Arabia	175700000	202920000	
Egypt	113460000	130260000	

Source the Bank world.

The table shows arrivals to the Middle East and North Africa region. We can see that there was a drop in the number of arrivals, but it was less pronounced and almost stable in 2018-2019, which is before the Covid-19 crisis, however, each of these countries had a super sharp decline in 2020 the start of spread of the epidemic, especially countries that rely heavily on tourism, the UAE lost more than 15 million tourists between 2018 and 2020 as it relies heavily on tourism for various conferences and exhibitions. Bahrain lost 11 million tourists, Morocco 10 million, Tunisia and Kuwait lost over 6 million tourists each, while Saudi Arabia and Egypt also suffered sharp declines, especially in Saudi Arabia, and that is due to the cessation of religious tourism the rituals of Hajj and Umrah, Algeria also saw a drop in tourist numbers, but this was less of a problem as Algeria relies solely on domestic tourism and, unlike other countries, all arrivals were only Algerian immigrants.

we can say that the main reason was the harsh restrictive measures that countries used to limit the spread of the epidemic, such as imposing the closure of land, sea, and air borders in particular, and the restrictions imposed on travel, many tourist attractions were closed and work stopped all over the region, such as museums, parks, sports venues, restaurants, and other facilities automatically reducing travel demand among travelers, covid-19 has contributed to this huge decline in the tourism industry, but that is not the only reason, there is also the political instability and armed conflict in the region

Figure 3-30: Percentage of tourism revenues from GDP in the Corona period.



Since tourism was greatly affected during the pandemic period, it is natural that revenues decrease. The graph shows the percentage of tourism revenues from the domestic total, which has decreased significantly. As we can see, some countries had revenues in this segment that represented only a slightly

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more than 00% Such as Oman with 0.88% Saudi Arabia with 0.85%, Iraq 0.52, Kuwait 0.49, and lastly Algeria with only 0.03, and this is due to the strict instructions taken, the complete closure of the borders, and the suspension of the transport sector.

Figure 3-31: Tourism revenues decline in the region.



Prepared by the student, using the data of the Organization of Islamic Cooperation.

This graphic shows the revenues of the countries during 2020 and 2021 period, some of the most dominant countries in this sector are the UAE, Egypt and the Saudi Arabia which control 59% of the tourism sector's GDP these countries suffered from a sharp drop, so for Egypt there is was a decrease in the revenues decline up to 75% in 2020 and that's due to the cessation of beach tourism in Egypt to a large extent during the year, but thankfully it dropped to 45 % in 2021 so there was an improvement in the sector, and for Saudi Arabia the decline in revenues was 80% to almost 90% the next year this is largely because of the suspension of Hajj and Umrah rituals. Among the countries in the region Bahrain had the worst decline and which was 100%.

2.2 The impact of the covid-19 crisis on inflation and unemployment rates:

The impact of the covid-19 crisis on inflation:

The pandemic of the new coronavirus infection has a major impact on the global economy, including inflation rates around the world, the pandemic has caused significant supply chain disruptions and increased government spending, leading to higher inflation in many countries, at the same time, slowing demand due to the pandemic has kept inflation low in some countries, the situation is complex and evolving, and the impact of the pandemic on inflation will vary by country and region.

Food prices have also undergone massive changes, and food price inflation affects headline inflation rates, especially in low-income countries and also, countries in which imported foods represent a large share of their consumption items

Figure 3-32: Food prices index since 2000 to 2022.



Source: FAO. 2022. FAO Food Price Index.

This graph represent the food prices since 2000 until 2022 and we can that there was a very large increase between 2019 and 2021, the period of the pandemic, and prices reached their peak in 2021, and experts expect that there will be an improvement and prices will return to normal in the coming years

The Middle East and North Africa region had a great deal of fluctuations in prices and high inflation rates during the period of the Covid-19 pandemic. These rates differed from one country to another, as shown in the table below.

Table 3-7: Inflation rate for average consumer prices.

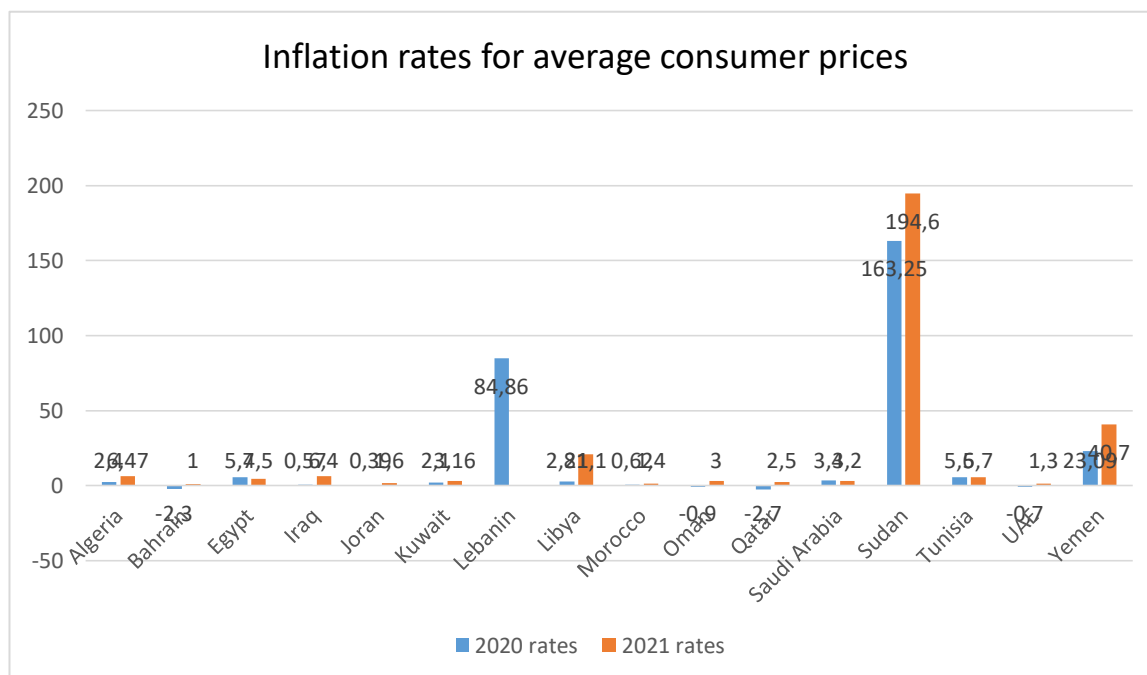
Countries /	2020	2021
Algeria	2.4	6.47
Bahrain	-2.3	1
Egypt	5.7	4.5
Iraq	0.57%	6.4%
Jordan	0.39%	1.6%
Kuwait	2.1%	3.16%
Lebanon	84.86%	
Libya	2.81%	21.1%
Morocco	0.62%	1.4%
Oman	-0.9%	3%
Qatar	-2.7%	2.5%
Saudi Arabia	3.4%	3.2%

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Sudan	163.25%	194.6%
Tunisia	5.6%	5.7%
UAE	-0.7%	1.3%
Yemen	23.09%	40.7%

Source: done by the student with the use of the IMF data.

Figure 3-33: Inflation rates for average consumer prices.



Source: done by the student with the use of International Monetary Fund data

The graphic represent the inflation rates for average consumer price and as it shows in 2020 the first year of covid-19 the inflation rates were stable and low at some point compared to the next year there was a huge decrease in some countries Libya for instance went from 2.81% to 21.1%, Iraq went from 0.57% to 6.4% , Lebanon for instance was already suffering from high rates at 84.86% in 2020 and that's due to so many factors beside the covid-19 crisis one of the main culprits is the country's ongoing economic and political crisis, which has led to a sharp decline in the value of the Lebanese pound This decline has increased the price of imported goods, leading to higher prices for goods and services ,also, the government policies and missteps, including high debt levels and corruption. Yemen went from 23.09% to 40.7 and that was not just because of covid-19 crisis there were multiple reasons in Yemen, the ongoing civil war has destroyed the economy and infrastructure, making it difficult to import goods and services. This has led to shortages of many essential items, contributing to higher prices. Sudan went from 163.25% to 194.6% the economy has been hit hard by the COVID-19 pandemic, in addition the country has been experiencing political instability and conflict for many years, which has led to a decline in the value of the Sudanese pound. This decline has made imports more expensive, which has

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contributed to rising prices for goods and services, other countries all had an increase in the inflation rates but it was not a big difference, and there's an exception for Egypt, Egypt is the only country that had lower inflation rates in 2021 despite the increase in demand, Egypt's inflation rate remains relatively stable thanks to the country's monetary and fiscal policies.

Despite the COVID-19 crisis, inflation in 2020 was overall lower than in 2021 as the pandemic impacted the global economy differently each year. In 2020, lockdowns and other measures to slow the spread of the virus have led to low demand for goods and services in many countries, this weak demand has kept inflation low in many countries. In addition, lower oil prices in 2020 also helped keep inflation low.

However, in 2021 things have changed. As the global economy began to recover from the pandemic, demand for goods and services increased, and leading to higher prices. In addition, supply chain disruptions related to the pandemic led to shortages of some goods, which also contributed to higher prices. Finally, government spending to support the economy during the pandemic has led to higher inflation in some countries. All these factors contributed to the higher inflation rate in 2021 compared to 2020, despite the ongoing pandemic in both years.

The impact of covid-19 crisis on unemployment:

The COVID-19 pandemic has had a significant impact on employment rates around the world Middle East and North Africa as a part. The pandemic has resulted in lockdowns and economic stagnation, resulting in the closure of many businesses and loss of jobs. With unemployment rates rising significantly in many countries, the pandemic has also highlighted the need for job security and stability.

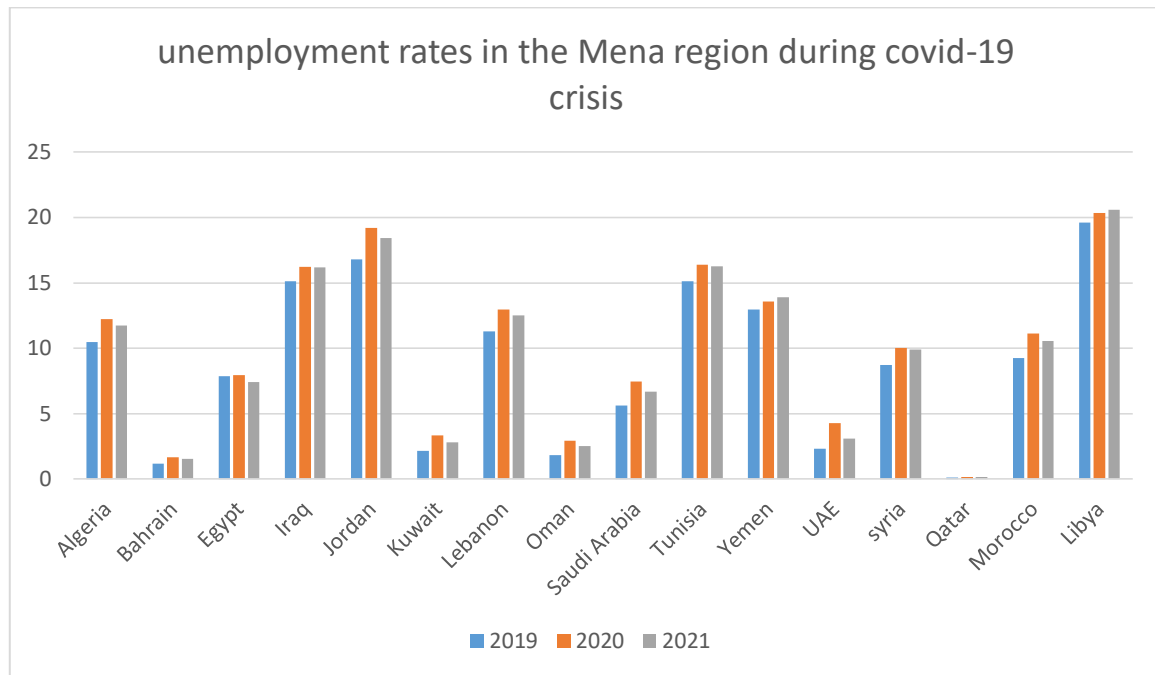
Table 3-8: Unemployment rates in the MENA region during the covid-19 crisis:

countries	2019	2020	2021
Algeria	10.495	12.248	11.747
Bahrain	1.181	1.674	1.532
Egypt	7.851	7.939	7.4
Iraq	15.11	16.23	16.17
Jordan	16.8	19.21	18.444
Kuwait	2.156	3.331	2.818
Lebanon	11.3	12.971	12.497
Oman	1.85	2.94	2.512
Saudi Arabia	5.64	7.45	6.692
Tunisia	15.13	16.373	16.264
Yemen	12.978	13.575	13.887
UAE	2.33	4.29	3.11
Syria	8.742	10.011	9.816
Qatar	0.1	0.14	0.17
Morocco	9.242	11.114	10.542
Libya	19.612	20.343	20.606

Source: the World Bank data.

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Figure 3-34: Unemployment rates in the region during covid-19 crisis.



Source: done by the student with the use of the World Bank data.

The first observation that emerges from the tables and figures above is that there are large proportion differences and inequalities between some countries and others. The following countries (for example, Algeria unemployment rate is 11%, Iraq and Tunisia at 15%, Jordan at 18%, Lebanon at 12%, Morocco at 10%, Yemen at 13% and Libya at 20% as the highest percent). These countries are considered to be on developing economies, unlike the Gulf countries, which recorded very low unemployment rates, and this is due to the strength of their economy. The average unemployment rate in the Saudi Arabia is 6%, while in Bahrain it is 1% in The Arab Emirates 3%, Kuwait 2%, and finally Qatar 0.1% as the lowest percentage

Furthermore, we found that all countries had relatively low unemployment rates in 2019 compared to the following year, i.e., before the regional epidemic increased. In 2020, there is a noticeable increase, and this is due to the measures applied to limit the spread of the virus such as the closure of some institutions and factories, and the closure of schools and universities which led to the dismissal of workers in some parts of the region specially in the transportation and tourism sectors and in 2021 there was an improvement, considering a relative decrease in unemployment levels due to the beginning of the world's recovery from the pandemic and the opening of institutions and factories that were closed previously.

Moreover, on this basis, we can also mention some facts:

- Government agencies and listed companies in Arab countries have not lost their employees. There have been no downsizings, or very limited, if any.
- The unorganized sector is one of the sectors most affected by the pandemic.
- The tourism and hotel sector is facing a sharp decline in employment.

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- Women are one of the hardest-hit groups by the pandemic, as they are heavily involved in workers in the health and education sectors, as well as in a variety of jobs in manufacturing and other service sectors.

-The import and export sector was greatly affected by the suspension of transportation traffic. (Arab Labor Organization , 2020) (Arabic resource)

2.3 The impact of covid-19 crisis on the Economic growth and trade:

The impact of covid-19 crisis on the Economy growth:

The outbreak of the epidemic forced people to take a set of precautionary measures and measures, isolation, quarantine, social divergence and travel ban, which reflected negatively on the economy, as it became living in a state of severe stagnation and sudden contraction, the decline in economic growth.

It was stated in the "Global Economic Prospects" report, which is the latest issue of the bank ate is expected the global grow this expected to decline significantly from 5.5% in 2021 to 4.1% in 2022 and 3.2% in 2023, the report finds that the pandemic has increased global income inequality, partially reversing the gains made over the past two decades. It has also increased inequalities in many other areas of human activity - in access to vaccines, in economic growth. (The World Bank, 2022).

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Table 3-9: MENA region economy forecasts of GDP growth:

	2020	2021	2022e	2023f	2024f
Algeria	-5.1	3.5	3.7	2.3	1.8
Bahrain	-4.9	2.2	3.8	3.2	3.2
Djibouti	1.2	4.3	3.6	5.3	6.2
Egypt, Arab Rep. ²	3.6	3.3	6.6	4.5	4.8
Iran, Islamic Rep. ²	1.9	4.7	2.9	2.2	1.9
Iraq	-11.3	2.8	8.7	4.0	2.9
Jordan	-1.6	2.2	2.5	2.4	2.4
Kuwait	-8.9	1.3	8.5	2.5	2.5
Lebanon ³	-21.4	-7.0	-5.4
Libya ³	-31.3	99.3	1.1
Morocco	-7.2	7.9	1.2	3.5	3.7
Oman	-3.4	3.1	4.5	3.9	2.4
Qatar	-3.6	1.5	4.0	3.4	2.9
Saudi Arabia	-4.1	3.2	8.3	3.7	2.3
Syrian Arab Republic ³	-3.9	-2.9	-3.5	-3.2	..
Tunisia	-8.8	4.4	2.5	3.3	3.6
United Arab Emirates	-5.0	3.9	5.9	4.1	2.3
West Bank and Gaza	-11.3	7.1	3.5	3.0	3.0
Yemen, Rep. ³	-8.5	-1.0	1.0	1.0	..

Source: World Bank.

From the table we can see that the rates of GDP during 2020 was very low most of them were negative except for three countries Djibouti rates were 1.2% , Egypt 3.6% Iran 1.9%. The pandemic led to lockdowns and economic slowdowns, which had a significant impact on economic activity, many businesses had to close down, leading to a significant loss of revenue and employment, additionally, and the pandemic disrupted global supply chains, which affected the export-oriented sectors of many MENA countries. The decline in oil prices also had a significant impact on the oil-exporting countries of the region. Finally, the pandemic led to a decline in tourism, which is an important sector in many MENA countries. All these factors contributed to the low GDP rates in the region in 2020. But in 2021 The GDP rates in the MENA region rose despite the ongoing COVID-19 pandemic due to several factors. Many countries in the region have implemented measures to mitigate the impact of the pandemic on their economies, such as providing stimulus packages to support businesses and households, also, the global economy has started to recover from the pandemic, which has led to an increase in demand for goods and services, including those produced in the MENA region. , the vaccination campaigns in many countries also have helped to reduce the spread of the virus and allowed for the easing of lockdowns, which has led to a resumption of economic activity. And lastly, some sectors such as e-commerce, online entertainment, and healthcare have experienced growth due to increased demand during the pandemic. All these factors have contributed to the rise in GDP rates in the MENA region in 2021 and experts expect the rates to keep rising in 2022.

The International Monetary Fund's «Arab Economic Outlook" report noted that the global economy still faces challenges related to global supply chains and high commodity prices, raising concerns over global food security. As a result, international organizations have adjusted their growth forecasts for the global

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economy. According to the report, the growth trajectory of the Arab countries in 2022 and 2023 will depend on the expected macroeconomic policy direction, the continuation of stimulus measures, and the impact of recent global developments on the Arab economy. It is said that it will be affected by various factors. Impact of the COVID-19 pandemic and its impact on containment.

In general, the growth rate of the Arab economy as a group will increase to about 5.4 percent in 2022, compared to 3.5 percent in 2021, due to a number of factors, including relative improvement and a high level of global demand is expected to. The growth rate of the oil and gas sector. And Arab governments continue to adopt stimulus packages to support economic recovery, amounting to more than \$400 billion over the same period (2020-2022), as well as numerous economic reform programs, there was also a positive impact from vision, and future implementation. Strategies to improve economic performance Diversify and reform the business environment, promote the role of the private sector, support human capital, and strengthen economic resilience to shocks. The pace of economic growth in the Arab countries as a whole is expected to slow to about 4.0% in 2023, due to the slowdown in global economic growth, the expected decline in commodity prices, and the impact of the global economy. Match. A gradual exit from an expansionary fiscal stance and monetary policy to support the aggregate demand side. (Arab Monetary Fund, 2022)(Arabic resource)

The Middle East and North Africa region saw an estimated 5.7% increase in production, the highest growth in the region in a decade, as oil exporters benefited more than expected from higher oil and gas prices and higher production .The recovery also reflects the service sector's continued recovery from the recession caused by the coronavirus pandemic. Nevertheless, the region still suffers from varying economic conditions and growth trajectories, high levels of poverty and unemployment in many countries, low labor productivity growth, increasing vulnerability, and a fragile political and social environment.

Several oil exporters in the region have significantly increased their production and exports over the past year. In 2022, Kuwait, Saudi Arabia, and the United Arab Emirates are expected to see the biggest production increases in nearly a decade. Thanks to stable exchange rates and fuel subsidies, the GCC countries were able to keep consumer price inflation well below the global average. (The World Bank, 2022)

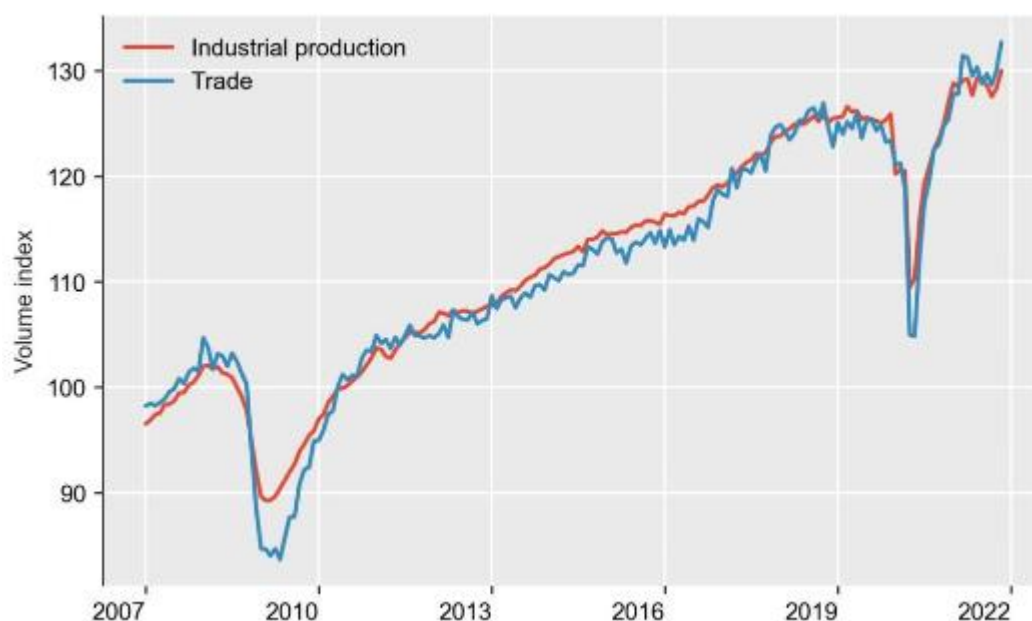
The global economy is beginning to recover from the COVID-19 crisis. Economic growth has picked up, and trade and investment reached higher levels in 2021 than before the pandemic. The global economy in 2021 grew 5.6%, the highest growth in almost 50 years.

Impact of the covid-19 crisis on trade:

World trade is the exchange of goods and services between nations. This includes importing and exporting goods and providing services such as banking, tourism and transportation. Global trade is an important part of the global economy because it enables countries to specialize in producing the most efficient goods and services and to access goods and services that cannot be produced domestically. In 2019 the COVID-19 pandemic has caused many countries to implement lockdowns and border closures, resulting in a significant reduction in global trade. This caused disruptions in supply chains and reduced demand for goods and services.

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Figure3-35: Volume of world trade and industrial production.



Source: OECD calculations based on CPB World Trade Monitor.

Global trade hit the lowest point in 2020 in the entire world due to implementing lockdowns and border closures in so many countries. This has led to disruptions in supply chains and a decrease in demand for goods and services.

Table 3-10: Trade in the MENA region during covid-19 crisis:

countries	2019	2020	2021
Algeria	51.80757	45.31109	52.97005
Bahrain	141.7008	139.8079	
Egypt	43.24045	33.75918	31.3736
Iraq	68.98994	56.65488	61.82135
Lebanon	62.55931	50.1298	78.82862
Jordan	84.75279	65.3394	81.44389
Oman	86.47613	91.8757	93.91615
Saudi Arabia	62.81615	52.07659	59.11648
Tunisia	102.3326	84.24077	94.35217
UAE	167.3836	166.5719	
Syria	41.99947	48.24077	
Qatar	90.31969	90.01909	93.04582
Morocco	75.99812	68.84727	74.9568

From the table we can see that trade rates decreased in all the MENA region countries from 2019 to 2020. The start of the epidemic crisis Jordan for instance went from 84% to 65% as the highest decrease and Qatar from 90.31 to only 90.01% as the lowest decrease the COVID-19 pandemic had a major impact on

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trade in Arab countries. Many countries in the region are heavily dependent on oil exports, and lower oil demand due to the pandemic has reduced revenues for these countries. Additionally, many Arab countries have implemented lockdowns and border closures, disrupting supply chains and reducing demand for goods and services. This has had a negative impact on local businesses and economies. The only exceptions were Syria that went from 41.99% to 48.24 and Oman that went from 86.98% to 91.87% and that could be because Oman and Syria have been able to maintain their trade relationships with other countries despite the pandemic.

- The COVID-19 pandemic hit global trade with unprecedented speed and scale. Multinational corporations faced supply shock first, then demand shock as many governments ordered citizens to stay at home. Governments, businesses and individual consumers suddenly struggled to purchase essential products and materials, and had to face fragility. Modern Supply Chain There is an urgent need to design more robust and diversified supply chains. (Rafik & Abdul Karim, 2021) (Arabic resources)
- Similar to the foregoing, trade has its effects, as was the case with the gross domestic product and other sectors are affected by that closure, and the effects on global trade may be higher than It was affected by the damages associated above, and countries differ in terms of precautionary measures. Thus, trade is linked to two internal indicators that depend on the producing country and its conditions, and external indicators that depend on the importing countries and their conditions.
- Although most of the economic sectors in countries, in general, were affected by the pandemic, there is a sector that was not harmed at all but achieved record profits compared to the rest of the sectors, namely, the technology and communications sector. Rather, there were fears of the collapse of networks due to the large demand due to Corona, so we find, according to the Bloomberg Billionaires Index, that the top ten leaders in the list are technological giants from the owners of Amazon and Microsoft websites, and others. To increase their profits by numbers populated by 80 billion for Jeff Bezos, the owner of the Amazon site, and 30 billion for Mark Zuckerberg and others who topped the list on the site, and it is something expected from the beginning of the crisis, as a result of home isolation, the demand is increasing on electronic social communication to meet requests, know news and communicate between individuals, as well as As a result of isolation, most companies moved their businesses to homes to be managed through them, which requires electronic communication. Even electronic services have increased in terms of delivery and other services, and have been affected by quarantine and home isolation. (Hamalia, 2021) (Arabic resource).

3 Section 3: The response of the IMF to the covid-19 economic crisis

The global COVID-19 pandemic has triggered a significant economic crisis with far-reaching consequences. Its effects have permeated every facet of economic life, prompting experts and specialists to revise their predictions about the extent of recession and economic decline that the pandemic has caused since its initial stages. This crisis has become a genuine impediment to the normal functioning of the global economy, resulting in a slowdown in economic activity worldwide and a decline in overall production.

3.1 The International Monetary Fund's measures and policies to address the COVID-19 pandemic.

In light of the severe repercussions caused by the spread of the coronavirus on all levels, and to mitigate the worsening conditions, the International Monetary Fund (IMF) responded quickly and with a significant volume of financial assistance like no other, in order to help countries overcome the crisis, especially those with limited income. The IMF, at the forefront of the global financial safety net, is utilizing its full lending capacity of trillions of US dollars to serve its member countries.

The International Monetary Fund has been at the forefront of international efforts to combat the pandemic, recently pledging \$50 billion to accelerate equitable distribution of medical tools and help end the health crisis that has claimed lives and livelihoods. Announced a roadmap* for since the pandemic began, the fund has approved over \$109 billion in loans to 84 countries, including 52 low-income countries. During this period, we also provided capacity-building assistance to 160 countries. In addition, the International Monetary Fund provides debt relief to 29 of its poorest and most vulnerable member countries through the Disaster Containment Relief Trust*, providing approximately \$700 million in debt relief to the Fund at maturity. Until October 15, 2021 (The international monetary fund , 2021)

In addition to providing policy advice and technical assistance, the IMF focuses its efforts on the following tracks:

3-1-1: Establishment of the Short-Term Liquidity Line (SLL):

The IMF swiftly responded to the crisis by introducing the Short-Term Liquidity Line (SLL), a new facility for providing liquidity assistance to member countries with strong policy frameworks and sound economic fundamentals but facing moderate-sized liquidity needs due to external shocks. This facility facilitates access to existing arrangements, including some that allow borrowing without a comprehensive program. During the first half of 2020, the IMF disbursed over 100 billion in emergency financing. The total lending capacity of the IMF amounts to trillions of US dollars, which may not be sufficient to address all the ramifications of the pandemic and subsequent developments. The IMF avoids depleting its resources by renegotiating bilateral and multilateral borrowing agreements, including new borrowing arrangements. However, efforts to enhance resources through increased member quotas have not yielded any results. Furthermore, despite numerous calls from official and academic circles, the majority of members have not agreed to a new allocation of Special Drawing Rights (SDRs) despite the significant demand. (Ikenberry, 2020, p. 2).

The "Short-Term Liquidity Line" (SLL) was established as a special facility within the International Monetary Fund's "General Resources Account" (GRA). It is designed to provide liquidity support to member countries and has several innovative features, including the renewable use of its resources.

3-1-2: The Catastrophe Containment and Relief Trust (CCRT):

On April 13, 2020, the Executive Board approved immediate debt service relief for 25 member countries through the Catastrophe Containment and Relief Trust (CCRT), following an increase in its resources. This decision was part of the IMF's response to assist in addressing the impact of the COVID-19 pandemic. The CCRT provides grants to the poorest and most vulnerable countries in the IMF, allowing them to cover their debt obligations to the Fund for an initial period covering the next six months. It helps these countries redirect their scarce financial resources towards urgent medical response and other necessary relief efforts (IMF, 2020).

The IMF established the Catastrophe Containment and Relief Trust in February 2015 to replace the Post-Catastrophe Debt Relief Trust, expanding its coverage to include rapidly spreading pandemics. In March 2020, the IMF implemented a set of reforms to enable immediate debt service relief for the poorest and most vulnerable member countries affected by the current COVID-19 pandemic and any future pandemics. These countries have average per capita income below the IDA (International Development Association) threshold of \$1,715 or are small states. Which has a population of less than 175 million and an average per capita income less than twice the International Development Association (IDA) threshold (currently \$27,350). It provides grants to cover the debt service due to the International Monetary Fund (IMF). This lending facility is divided into two windows: (1) the Catastrophe Containment Window, which provides assistance in containing public health disasters, and (2) the Debt Relief Window, which provides exceptional assistance in the aftermath of severe natural disasters.

The first relief for 25 member countries was approved on April 13, 2020. Three countries previously affected by the Ebola virus (Guinea, Liberia, and Sierra Leone) received assistance from this facility amounting to \$100 million in February-March 2015. In July 2010, the previous Catastrophe Containment and Relief Trust was used to provide debt relief assistance to Haiti, totaling \$270 million, resulting in the cancellation of all outstanding debts to the IMF. [Source: IMF - The Catastrophe Containment and Relief Trust (CCRT) - <https://www.imf.org/>]

3-1-3: Credit Standby Arrangements

In times of economic crisis, countries often need financing to address their balance of payment problems. The Credit Standby Arrangement (CSA) has been the principal lending instrument for both emerging and advanced economies since its establishment in June 1952. In 2009, it underwent enhancements to make it more flexible and responsive to the needs of member countries. It allows for flexible responses to members' external financing needs and supports corrective policies through short-term financing, typically ranging from 12 to 24 months and not exceeding 36 months.

Credit Standby Arrangements provide a degree of flexibility in terms of loan size and disbursement timing. These arrangements include the following conditions:

- **Regular Access:** The Credit Standby Arrangement is one of several lending facilities provided by the International Monetary Fund (IMF) through the General Resources Account (GRA). Access to resources from the General Resources Account is subject to an annual limit of 145% of the borrower member's quota over any 12-month period (temporarily increased to 245% of the quota until the end of April 6, 2021, as part of the IMF's response to the COVID-19 pandemic). The cumulative maximum during the arrangement period reaches 435% of the member's quota, excluding repayments.

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- **Exceptional Access:** The decision to provide access to amounts exceeding normal limits is based on each case's severity and aligns with the IMF's policy on exceptional access.
- **Front-Loaded Access:** Resources can be disbursed upfront if it is justified by the borrower's strong policies and the nature of its financing needs.
- **Rapid Access:** The Rapid Financing Instrument allows for expedited approval of lending to member countries under the Credit Standby Arrangement. This mechanism was utilized during the global financial crisis.
- **Precautionary Access:** High-access precautionary arrangements are available to countries that may face significant financing needs but do not intend to draw on the approved amounts. Instead, they retain the option to access the funds if the need arises. (IMF and Credit Standby Arrangement)

3-1-4 : Rapid Financing Instrument (RFI)

The Rapid Financing Instrument provides limited financial assistance to member countries facing urgent balance of payments needs but without requiring a full-fledged program implementation. The instrument can support a wide range of urgent needs, including those arising from initial commodity price shocks, natural disasters, post-conflict situations, and emergent emergencies. The Rapid Financing Instrument was introduced as a flexible and comprehensive mechanism to replace the IMF's previous policies, including the Emergency Natural Disaster Assistance (ENDA) and Emergency Post-Conflict Assistance (EPCA).

There are two windows within the Rapid Financing Instrument

The Regular Window for financing balance of payments needs, with a maximum access limit of 50% of the member's quota for any 12-month period and 100% on a cumulative basis.

The Large Natural Disaster (LND) Window for use in cases where the impact of a natural disaster on the member country is estimated to be around 20% or more of its GDP, with a maximum access limit of 80% of the member's quota for any 12-month period and 133.733% on a cumulative basis.

To meet the urgent and substantial financing needs of member countries due to the COVID-19 pandemic, the access limits to the resources provided by the two windows were temporarily raised until December 31, 2021. Starting from January 2022, the annual access limits for the Regular Window and the Large Natural Disaster Window returned to pre-pandemic levels of 50% and 80% of the member's quota, respectively. However, the cumulative access limits for both windows will remain at 150% and 183.733% of the member's quota, respectively, until June 30, 2023.

In this context, the International Monetary Fund (IMF) approved on Friday, June 5, 2020, a \$5.2 billion assistance package for Egypt for one year under the Rapid Financing Instrument (RFI). This assistance aims to mitigate the negative economic impact of the COVID-19 pandemic. The total assistance provided by the IMF to Egypt amounts to \$8 billion, supporting the country's efforts to maintain economic stability amid the COVID-19 crisis. (France24 Arabic)

Supporting the economic policies of countries in crisis since the spread of COVID-19, the International Monetary Fund (IMF) has been in constant interaction with member states to provide advice and assistance. The IMF welcomes the decisive measures taken by countries to address the health crisis and mitigate its economic impact. Governments' responses to the short-term shock were swift and comprehensive, demonstrating exceptional policy actions. On the fiscal policy front, countries

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implemented measures equivalent to around \$8 trillion by April 2020 to contain the pandemic and cushion the economic impact.

Emergency lifelines provided globally involved increased spending and revenue losses (\$373 trillion), public sector loans and capital injections (\$178 trillion), and guarantees (\$277 trillion). Concurrently, to maintain global financial system stability and support the global economy, central banks worldwide implemented a package of measures. Key actions included easing monetary policy, purchasing a variety of assets, and providing liquidity to the financial system, estimated at around \$5.19 trillion. These measures helped alleviate the negative consequences resulting from the pandemic's spread on individuals and businesses. (Arab Monetary Fund, 2021)

In this context, in the UK, for example, the Bank of England kept the official interest rate low at 0.1% starting from the beginning of 2020 and increased the value of its asset purchases under the quantitative easing program by £150 billion, reaching £895 billion. The European Central Bank also kept the official interest rate at 0% and provided an emergency assistance package of €85.1 trillion as an exceptional measure to contain the economic fallout from the health crisis. The bank also postponed the end date of its quantitative easing measures from the end of 2020 to the end of March 2022. Similarly, the Bank of Japan maintained an accommodative monetary policy throughout 2020, kept the interest rate on the Japanese yen at around 1.0%, and continued bond purchases without a specified limit, while keeping the interest rates on long-term bonds at zero percent for ten years. On a related note, the People's Bank of China (the central bank) implemented three reductions in the required reserve ratio for financial institutions since the beginning of 2020, bringing it to 4.9%, releasing approximately 1.8 trillion yuan, and lowered the official interest rates to 25.0%. (Arab Monetary Fund, 2021).

The spread of the COVID-19 virus since the end of 2019 has had severe repercussions on the global economy. Key economic sectors experienced sharp declines, without exception, due to their interconnectedness, leading to a global economic slowdown and increased unemployment rates. However, the tourism sector has been particularly affected by the crisis due to lockdown measures, health restrictions on individuals, and the impact on global travel and transportation. This confirms the validity of the initial hypothesis. The situation was further complicated by the emergence of new virus variants, intensifying the crisis and creating uncertainty about the extent of the potential losses caused by the pandemic.

Central banks worldwide responded to the COVID-19 crisis with unprecedented speed, scale, and scope in injecting funds. Quantitative easing policies were at the forefront of the measures adopted to provide the necessary funds to revive the economy.

Central banks will continue to play a crucial role in ensuring the stability of global financial markets and preserving the flow of credit to the economy, especially when significant sectors of the global economy are in a complete halt. Consequently, fiscal policy also has an important role to play.

In response to the economic repercussions of the pandemic, the International Monetary Fund (IMF) swiftly provided unprecedented support to its members through financial arrangements in the form of new loans or drawing on existing ones, both for advanced and developing countries. However, the latter still require urgent additional support, particularly through multilateral means.

The success of the fiscal policies provided by the IMF to countries affected by the COVID-19 crisis depends on the effective use of funds within policies that ensure job retention, prevent company bankruptcies, and maintain business networks and trade. By doing so, recovery can be achieved sooner

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and in a smoother manner, as evident from China's experience, where the right policies have made a difference in combating the disease and mitigating its impact.

3-1-5: Supporting countries' economic policies to address the crisis

Since the spread of COVID-19, the IMF has been in constant interaction with country authorities to provide advice and The Fund welcomes the decisive actions taken by countries to address this health crisis and mitigate its impact on the economy. The governments' responses to the pandemic in the short term were rapid and comprehensive. On the fiscal policy front, countries have taken, as of April 2020, fiscal measures equivalent to nearly \$8 trillion to contain the pandemic and its economic damage. Urgent critical supplies being provided globally mean increased spending and lost revenue (\$3.3 trillion), public sector loans and equity injections (\$1.8 trillion), and guarantees (\$2.7 trillion).

At the same time, to maintain the stability of the global financial system and support the global economy, banks have resorted to the international central bank led to a package of measures, the most important of which was the easing of monetary policy and the purchase of the monetary policy a variety of assets, with the aim of providing liquidity to the financial system the value of which was estimated at about \$ 5.19 trillion, which contributed to mitigating the negative consequences resulting from the spread of the pandemic on the individual and corporate sectors

3.2 Part2: Borrowing countries in Middle East and North Africa.

Economic situation before the pandemic was challenging. Prior to the outbreak, the region was already facing macroeconomic difficulties, including weak growth, susceptibility to a projected global economic slowdown, and the impact of geopolitical tensions, social unrest, and regional conflicts (as stated in the October 2019 REO report). In addition to addressing public debt and deficits, especially in the Middle East and North Africa region, there was an urgent need to enhance long-term growth prospects through structural reforms. The report also emphasized the importance of energy-exporting countries diversifying their economic foundations and promoting private sector-driven growth (Gaspar et al, 2021).

At the onset of the pandemic, during the preparation of the April 2020 REO report, there was a need to balance the long-term considerations mentioned earlier with the immediate response required to mitigate the pandemic's impact on the region. Initially, the focus was on addressing the significant increase in global risk aversion, with a decline of nearly \$2 billion in portfolio flows to the region in February-March, and the challenging financial conditions resulting from \$35 billion in maturing sovereign debt in 2020. However, as concerns grew about the potential health consequences of the pandemic, especially influenced by the severe outbreak in Iran, the policy priority shifted towards healthcare and humanitarian efforts (Batini et al, 2023).

3-2-1 :JORDAN Case

The IMF approved Jordan's request for approximately \$396 million in emergency financing under the Rapid Financing Facility (RFI).

On May 20, 2020, the Board of the International Monetary Fund (IMF) approved Jordan's request for emergency financing under the Rapid Financing Facility (RFI) in the amount of SDR 291.55 million (approximately \$396 million, or 85 percent of the quota). . The purchase under the RFI is expected to cover about a quarter of Jordan's external financing needs due to the shock of COVID-19. The rest is expected to be covered by Jordan's development partners and allocated to a smaller set of reserves than the Extended Fund Facility (EFF) arrangement approved by the IMF on March 25, 2020. (IMF.2020)

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Table 3-11: Jordan's debt from the IMF

Country	Type of emergency financing	Amount approved in SDR	Amount approved in US\$ ²	Date of approval
Jordan	Rapid financing instrument (RFI)	SDR 291.55 million	US\$ 396 million ³	May 20, 2020
	Extended fund facility (EFF)	SDR 926.37 million	US\$ 1,300.00 million ³	March 26, 2020
	Augmentation of extended fund facility (EFF)	SDR 144.1 million	US\$ 205.5 million ³	July 1, 2021

Done by the student with the use of IMF data.

The Jordanian economy has been hit hard by the COVID-19 crisis. The pandemic has brought economic activity down, many businesses have closed and many people have lost their jobs. According to the World Bank, Jordan's economy contracted an estimated 1.6% in 2020, the first contraction in decades.

The Jordanian government has responded with a range of measures to mitigate the economic impact of the crisis, including stimulus packages, support for businesses and workers, and investment promotion measures. However, the economic recovery has been slow and the ongoing pandemic continues to pose significant risks and uncertainties to the Jordanian economy. Therefore Jordan was obliged to take loans from the international monetary fund

The new loans that were contracted since the beginning of 2020 represented three loans to the Hashemite Kingdom of Jordan (automatic loan, a compensatory loan, and a loan within the framework of facilitating support for the enabling environment for small and medium enterprises). The Hashemite Kingdom of Jordan withdrew the second and final installment in the amount of 9.2 million AAD from Structural adjustment facility loan in the financial and banking sector

An International Monetary Fund (IMF) mission led by S. Ali Abbas has reached staff-level agreement on the Fifth Review of the Authority's Economic Reform Program, underpinned by an Enlargement Fund Facility (EFF) Memorandum of Understanding. The deal requires the approval of IMF management and the Executive Board.

The loans aim was to support Jordan's efforts to respond to the pandemic and reduce its economic impact, including assistance to vulnerable households and businesses. The loan should also help Jordan maintain macroeconomic stability and support the country's reform agenda. Jordan has also received financial assistance from other international organizations and donors to help address the economic impact of the pandemic, including from the World Bank and the European Union.

3-2-2: Egypt Case

Like most emerging markets, the COVID-19 pandemic is a shock enormous for the Egyptian economy, and its repercussions were soon reflected through the sudden cessation of tourism

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It was at the beginning of the crisis, which contributes about 12% of the GDP and provides 10% of work opportunities 4% of the gross domestic product of income in foreign currencies. Containment precautionary measures, the virus and preventing it from spreading, including partial general closures and restrictions on the capacity of places, this led to a temporary decline in domestic activities, and also affected the growth of the gross domestic product and other aspects therefor Egypt were obliged to take debts from the international monetary fund

-Engagement with the IMF

According to official data, Egypt has borrowed around 52 billion dollars from international institutions. The IMF is the largest foreign donor to Egypt, having given it more than 20 billion dollars through a loan agreement that was finalized in late 2016. Cairo also granted two other loans in the wake of the Corona pandemic, one of which was a form of urgent aid through the Rapid Financing Instrument with a value of \$2.77 billion. (Doaa, 2022)

Under its Rapid Financing Instrument (RFI), the IMF gave Egypt \$2.772 billion in immediate financial assistance in May 2020 to address the country's pressing balance of payments demands as a result of the Covid-19 pandemic. The RFI was designed to help with some of the most urgent financial demands, such as those for spending on social protection, health care, and aiding the most disadvantaged and negatively affected communities. In addition to providing funding for the budget's targeted and short-term spending intended to contain and mitigate the economic impact of the epidemic, this emergency support assisted in limiting the decrease in international reserves. Egypt then pledged to fully disclose and account for all crisis-related spending, including by publishing details on planned procurement and awarded contracts.

Matthew Gaertner: The IMF helped Egypt meet its financial needs as a result of the outbreak by providing around \$8 billion in financial support through a two-pronged strategy. In May 2020, the government received \$2.8 billion in emergency financial support from the Rapid Financing Instrument to make sure it had enough foreign currency to pay for necessary imports and other necessities. In the following 12 months, the government had access to a total of around US\$5.4 billion thanks to the Stand-by Arrangement (SBA), which was approved in June 2020.

In order to position Egypt for a robust and inclusive recovery, the SBA helped the authorities maintain economic stability, increase fiscal transparency and governance, advance laws to improve the business climate, and make progress on key structural reforms. These measures included measures to strengthen public finances. The program's economic measures found a compromise between bolstering the economy to protect it from the COVID-19 shock and guaranteeing debt sustainability to preserve investor confidence. The economy has shown resilience as a result of the government's prompt and smart policy response, supported by IMF assistance, with growth anticipated to be 2.8% for FY 2020/21.

Celine Allard: Over the past 12 months, the authorities' steadfast adherence to sensible measures and their excellent performance under the IMF program have contributed to reducing the pandemic's negative health and social effects while preserving economic stability, debt sustainability, and investor trust. Although the forecast is still clouded by uncertainty associated to the pandemic, notably with regard to the full recovery of tourism, growth is anticipated to rebound sharply in FY2021/22 to 5.2 percent. (International monetary fund, 2021)

Additionally, Egypt is vulnerable to external shocks due to its high public debt and large gross financing needs, which refer to the amount of money the government, must issue annually to pay off maturing debt

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as well as finance new debt. Examples of these shocks include higher borrowing costs globally as developed economies gradually reduce their economic stimulus.

Egypt's external debt continued to rise, despite the government's announcement of the formation of a committee to rationalize the flow of borrowing from abroad, limiting it only to priority projects. The increase in external debt was accompanied by an increase in the net foreign assets deficit of the banking sector during the month of February, by about \$1.3 billion, to reach about \$23 billion, compared to \$21.7 billion at the end of January.

According to government data issued today, Egypt's external debt increased by 5.5% during the last quarter of last year, reaching \$162.9 billion at the end of December 2022, compared to \$154.9 billion last September.

Compared to the end of 2021, the external debt increased by 11.9% from the level of \$145.5 billion, an increase of about \$17.4 billion, according to the local newspaper, Al Borsa.

The available figures and data indicate that Egypt must pay foreign debts of about \$9 billion due to be repaid in 2023. They also indicate that Egypt currently needs about \$41 billion to cover debt payments and the current account deficit until the end of 2023 (The New Arab, 2023)

3-2-3 :MOROCCO's Case

Morocco was the sole recipient of financial assistance through the Precautionary and Liquidity Line (PLL), which was granted approval in December 2018. In accordance with the PLL procedures, a purchase of US\$3 billion (equivalent to 240 percent of quota) was automatically made upon request, and the Executive Board was notified retrospectively.

Prior to the pandemic, Morocco's economic fundamentals and policy framework were in a generally strong position, supported by multiple Precautionary and Liquidity Line (PLL) arrangements since 2012. The country had achieved progress in economic diversification and participation in global value chains, while its banking system remained robust, and it had consistent access to international capital markets with favorable borrowing costs. The IMF staff emphasized the importance of implementing structural reforms to enhance governance, combat corruption, improve access to finance, and reform the labor market to promote private-sector growth. Although public debt was deemed sustainable, its high level posed risks. The external position was also considered sustainable, but staff recommended greater flexibility in the exchange rate system to enhance the resilience of the balance of payments.

The economy of Morocco was severely impacted by the pandemic and the containment measures implemented by the authorities. The government implemented a state of health emergency, which involved confinement measures and restrictions on domestic and international travel. Additionally, the economy was further affected by a drought that negatively impacted the agricultural sector. Although there were initial successes in containing the pandemic until July 2020, when restrictions were eased, a second wave of infections followed.

Initially, both the IMF staff and the authorities anticipated a V-shaped recovery and believed that the funds obtained through the PLL and other secured financing would be sufficient to cover the expected significant deterioration in the balance of payments (BOP) without exerting serious pressure on international reserves. However, the economic downturn was more severe than expected. In 2020, GDP contracted by 7.4 percent, marking the first contraction since 1997. This decline was much greater than

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anticipated at the time of the PLL purchase. The unemployment rate increased from 9.2 percent to 11.9 percent, and poverty levels rose. Exports, tourism, and capital inflows experienced a decline. Manufacturing activity and imports, particularly those tied to the Euro area such as automobiles, aeronautics, and textiles, also decreased. (IMF Country Report No. 21/2, 2021)

Despite the challenging economic situation, the decline in imports, along with some resilience in remittances, helped mitigate the impact on the current account and overall balance of payments. The exchange rate initially weakened in the early months of 2020 but appreciated in real effective terms by the end of the year. Equity prices experienced a sharp decline in early 2020 but subsequently recovered throughout the rest of the year.

- **Engagement with the IMF**

In response to the pandemic, Morocco utilized the full amount available to them under the PLL. On April 7, 2020, they drew approximately US\$3 billion, which was equivalent to 240 percent of their quota and approximately 3 percent of their GDP. This drawing was in accordance with the procedures of the PLL, which allow for an automatic drawing without any associated conditions. The IMF's resources are expected to be protected by the previous assessment of the member's policy track record and framework conducted at the time of PLL approval. The IMF staff notified the Executive Board about the drawing and subsequently issued a statement explaining the circumstances that led to the utilization of IMF resources. A press release was also issued, but there was no staff report or detailed macroeconomic projections, as per the standard procedures of the PLL.

The approved access level of US\$3 billion under the PLL was determined in 2018 based on the staff's assessment of the risks to Morocco's balance of payments (BOP) at that time. However, with the onset of the pandemic shock, the staff recognized that Morocco could face higher pressures than initially anticipated when the PLL was requested. As a result, they believed that drawing the full amount, along with seeking support from other multilateral institutions, was justified to bolster the reserves of the central bank to a level that surpassed the threshold used to determine the PLL access level in 2018 (which was set at 80 percent of the Fund's Assessing Reserve Adequacy, ARA, metric).

The actual current account deficit for 2020 turned out to be only 1.5 percent of GDP, significantly lower than the projected 6.0 percent (as shown in Table 3). This outcome can be attributed largely to a larger-than-expected reduction in imports, particularly of energy and capital goods used in the production of manufactured goods for export, particularly to the Euro area. Additionally, remittances performed better than anticipated. The recovery of market access was also faster and stronger than anticipated by most observers, including the staff. It is possible that the issuance of bonds, facilitated in part by the PLL, played a role in this positive development. The authorities were able to issue bonds totaling US\$1 billion in September and US\$3 billion in December 2020. As a result, official reserves exceeded the staff's expectations at the time of the PLL purchase. (IMF Country Report No. 21/2, 2021)

Overall evaluation. The Precautionary and Liquidity Line (PLL) successfully served its purpose by providing timely and swift access to IMF resources without imposing conditionality or prolonged policy discussions. This proved beneficial for a country like Morocco, which had a strong policy framework and a good track record, as it enabled them to navigate a significant external shock. While the PLL funds were primarily utilized by the central bank for liquidity support, they indirectly created room for the government to manage a larger budget deficit. Additionally, the PLL played a role in facilitating Morocco's reentry into the capital markets. Consequently, Morocco was able to swiftly rebuild its reserves, which allowed for the timely repayment of the PLL funds the Fund early, in January 2021. The

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economy rebounded sharply in 2021, with GDP growing at 7.2 percent, inflation remaining low, the budget deficit falling slightly, but with the current account deficit rising to 2.9 percent of GDP.

Staff forecasts the economic downturn caused by the crisis was more significant than what the staff had initially predicted in April 2020 when the PLL funds were accessed. However, making accurate assessments was challenging given the unprecedented nature of the shock and the uncertainty surrounding its magnitude and spillover effects, particularly in terms of the decrease in demand from the Euro area and its impact on Morocco's imports of capital goods and other export inputs. This factor exacerbated the contraction in economic growth but also led to a much smaller current account deficit than projected in April, mainly due to import compression.

3-2-4 :TUNISIA's Case

When the pandemic struck, Tunisia had an existing Extended Fund Facility (EFF) that was nearing its expiration. However, instead of renewing the EFF, it was canceled, and the International Monetary Fund (IMF) provided support to Tunisia through a Rapid Financing Instrument (RFI) equivalent to 100 percent of Tunisia's quota, which amounted to approximately US\$750 million. In October 2022, the staff reached an agreement at their level on a new EFF for Tunisia.

Initial conditions. Tunisia has faced significant economic challenges since the Arab Spring in 2011. The country has experienced a series of political and economic shocks, along with delays in implementing necessary reforms, leading to the exacerbation of major economic imbalances. Starting from 2010, Tunisia witnessed a decline in growth rates, a steady rise in inflation, and an increase in unemployment and poverty levels. To address social concerns, the government expanded its role in employment creation and subsidy provision. This expansion, however, led to growing fiscal deficits, substantial growth in public and external debt since 2011, and a sharp weakening of the balance of payments. The IMF provided support to Tunisia through a series of programs aimed at containing these macroeconomic imbalances, although the results were mixed. Even prior to the pandemic, Tunisia's economy was already fragile, characterized by low growth in 2019, a high level of public debt at 72.3 percent of GDP, primarily in foreign currency, and external debt reaching 90.3 percent of GDP. Nevertheless, there were some positive signs such as declining inflation and budget deficits, albeit from elevated levels, and some improvement in the external position. (IMF Country Report No. 20/103, 2021)

Impact of the pandemic. Tunisia swiftly implemented containment measures in response to the pandemic, including the closure of maritime borders, travel restrictions, and isolation measures. These measures significantly affected economic activity, particularly in the tourism and export sectors. In April 2020, initial projections suggested a contraction of 4.3 percent in output for the year, but the actual impact of the pandemic turned out to be much worse than expected, and the economy contracted by 9.3 percent (see Table 4). However, the current account deficit was smaller than anticipated, partly due to a sharp decline in imports, and there was a positive development with increased remittances. The formation of a government and political uncertainties also contributed to the economic downturn.

Policy response. Despite limited fiscal space, the government of Tunisia introduced an emergency spending package equivalent to 2.3 percent of GDP, a portion of which was included in the 2020 budget. This package involved increasing spending on health supplies and equipment, strategic food reserves, and income support, amounting to 1.3 percent of GDP. Measures were also implemented to support businesses in affected sectors, including tax relief, credit support, and interest subsidies. As a result of these actions, the budget deficit was projected to rise to 4.3 percent of GDP, instead of the previously anticipated decline to 2.9 percent, reflecting the impact of the pandemic. The central bank took steps to

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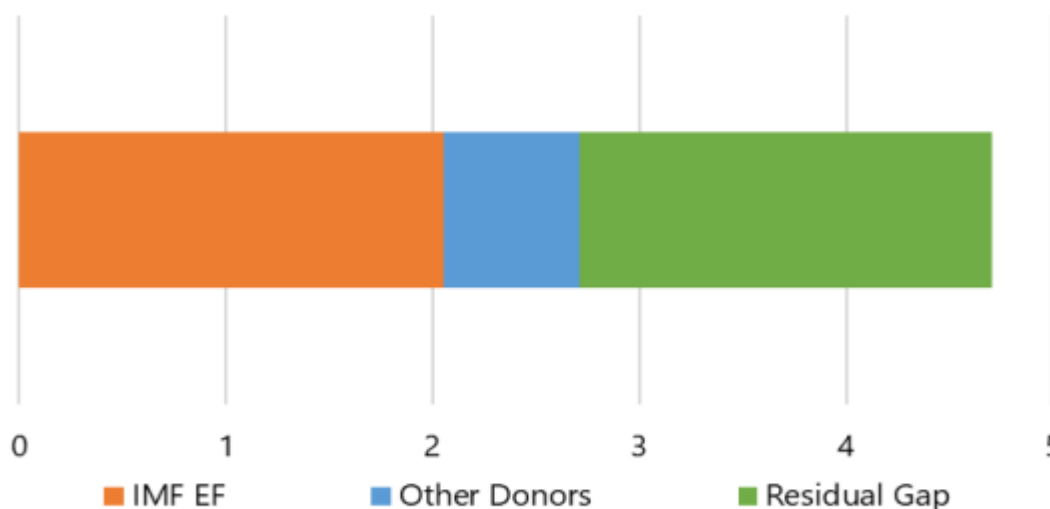
lower interest rates and encouraged the deferral of bank debt servicing. However, the actual fiscal outcome for 2020 revealed a deficit of nearly 10 percent of GDP, which was twice as large as the April projections. This was primarily driven by lower-than-expected GDP growth, increased transfers and subsidies, and higher capital spending. (Middle East and Central Asia Regional Economic Outlook, 2020)

- **Engagement with the IMF**

EFF replaced with RFI. When the pandemic struck, Tunisia had an existing Extended Fund Facility (EFF) arrangement with the IMF. However, both the authorities and the IMF staff recognized that implementing a traditional program under these circumstances was not feasible. As a result, the EFF was terminated two months before its scheduled expiration. Instead, Tunisia received support from the IMF through a Rapid Financing Instrument (RFI) purchase in April 2020. The agreement for the RFI, amounting to approximately US\$750 million (equivalent to 100 percent of Tunisia's quota or 2 percent of GDP), was reached within three weeks of Tunisia's request to the IMF. At the time of the RFI request, Tunisia faced significant budget financing needs, coupled with challenges in the external sector, resulting in a sizable balance-of-payments requirement estimated at US\$1.7 billion (equivalent to 4.7 percent of GDP). Although the IMF provided the maximum access level through the RFI, there remained an unfunded financing gap, even after considering the "identified financing from Tunisia's other external partners." (Figure 02).

Policy commitments in the LOI. The Letter of Intent (LOI) from the Tunisian authorities outlined a set of policy commitments that would have typically been included in a Universal Credit Treatment (UCT) program. These commitments aimed to mitigate the costs of the pandemic response measures and improve the sustainability of public debt. The government agreed to implement various measures, including the adoption of an automatic pricing formula for certain fuels and a slight reduction in the civil service wage bill. Additionally, there were commitments to reduce energy subsidies and increase the price of natural gas, although these measures were not fully implemented. The central bank agreed to tighten monetary policy if inflationary pressures or expectations of currency depreciation arose. It also committed to a restrained intervention policy in the foreign exchange market and agreed to consult with IMF staff in the event of exchange rate pressures. Furthermore, the central bank pledged not to relax prudential banking regulations in order to address the crisis. (IMF Country Report No. 21/44, 2021)

Figure 3-36: Tunisia ex ante balance of payment gap (percent of GDP 2020)



Sources: Staff Report; IEO staff calculations.

Note: Following Kincaid, Cohen-Setton and Li (2023), reserve drawdown is treated as financing

Overall assessment. The program effectively provided much-needed financial resources to Tunisia during a challenging period marked by domestic political divisions, global economic uncertainty, and donor hesitancy. The staff felt a sense of urgency to support Tunisia promptly and recognized the need for the IMF to take a leading role among other international partners. While the option of a new EFF program was considered given Tunisia's longstanding economic challenges, it was not pursued due to the prevailing political divisions and instability in the country, the absence of a credible plan from the authorities to address macroeconomic imbalances adequately, and the importance of swiftly providing IMF assistance and encouraging other official financing. The choice of an RFI over an EFF was also influenced by access considerations, as Tunisia would likely have obtained less financing under an EFF's first tranche. The absence of ex post conditionality was seen as instrumental in facilitating agreement on IMF financial support during the pandemic, although staff were mindful of the potential risks of providing further financing without conditionality, including the weakening of the economy, erosion of fiscal space, and threats to external stability. It was emphasized that a new EFF program would need to follow the RFI to address economic imbalances and risks. After extensive discussions, a staff-level agreement on a new EFF program was finally reached in October 2022, although it is still pending approval by the Executive Board.

Staff analysis and projections. The magnitude of the economic shock exceeded the staff's initial projections made in April 2020. The contraction of the economy was much more severe, representing the largest decline in output among countries in the Middle East and Central Asia region. This was primarily attributed to a resurgence of infections following the relaxation of anti-pandemic measures, despite an initial success in containing the spread. Additionally, political uncertainties surrounding the formation of a government further contributed to the economic downturn. As a result, growth projections for 2020 had to be repeatedly revised downward. On the other hand, the current account performance was slightly better than anticipated, partly due to larger-than-expected remittance inflows. Importantly, the capital account fared considerably better than expected, particularly in terms of short-term inflows. However, the budget deficit exceeded initial expectations, largely driven by higher spending on salaries, crisis response

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measures, and capital expenditures. The staff acknowledged the presence of uncertainties surrounding their projections.

3.3 The case of other countries in the region with the IMF (Lebanon, Yemen, Libya and Algeria)

The COVID-19 pandemic has presented unprecedented challenges to countries worldwide, particularly those already grappling with political instability and ongoing negotiations. In this essay, we will delve into the crucial role played by the International Monetary Fund (IMF) in assisting countries such as Lebanon, Yemen, and Libya during the pandemic. Despite being in negotiations, these nations have faced significant socio-economic consequences due to the pandemic, requiring immediate and targeted support from the international community.

3-3- 1:The Impact of COVID-19 on Lebanon, Yemen, and Libya (Lebanon: Staff Report, 2021):

A. Pre-existing challenges: Before the pandemic, Lebanon, Yemen, and Libya were already burdened with political instability, fragile governance structures, and ongoing negotiations.

B. Health and economic implications: The arrival of the pandemic exacerbated existing vulnerabilities, leading to strained healthcare systems, declining economies, rising unemployment, and increased poverty levels in these countries.

C. The need for external assistance: Given their fragile situations, Lebanon, Yemen, and Libya required international support, with the IMF playing a crucial role in addressing their urgent needs.

3-3-2: IMF's Response and Assistance:

A. Emergency financing: The IMF swiftly responded to the economic and financial challenges faced by these countries by providing emergency financing through various instruments such as Rapid Financing Instrument (RFI) and Rapid Credit Facility (RCF). These resources helped bridge immediate liquidity gaps and supported essential healthcare services.

B. Policy advice and reforms: As part of its assistance, the IMF offered policy advice and guidance to help these nations address underlying structural issues, improve governance, enhance transparency, and implement necessary economic reforms.

C. Debt restructuring and relief: The IMF actively engaged with other international partners to explore debt restructuring and relief measures, recognizing the burden faced by these countries in servicing their debts amidst the pandemic.

3-3-3:Challenges and Constraints:

A. Political complexities: The ongoing negotiations and political dynamics in Lebanon, Yemen, and Libya posed significant challenges in implementing economic reforms and policy measures suggested by the IMF.

B. Socio-economic consequences: The pandemic's socio-economic fallout made it even more challenging for these countries to effectively implement reforms while managing immediate humanitarian needs and societal unrest.

C. Coordination with other stakeholders: Collaborating with other international actors, regional organizations, and local authorities was essential to ensure a comprehensive and coordinated response. The IMF played a critical role in facilitating this coordination process.

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3-3-4:The Way Forward:

A. Strengthening resilience: The IMF should continue supporting these countries in building resilience against future shocks, emphasizing diversification of their economies, strengthening social safety nets, and promoting inclusive growth.

B. Promoting good governance: Addressing governance issues and promoting transparency will be vital in restoring trust and enabling effective utilization of financial resources.

C. Capacity building and technical assistance: The IMF should continue to provide technical assistance and capacity building programs to strengthen institutions and improve governance practices in these countries.

In the face of the COVID-19 pandemic, the IMF has played a crucial role in supporting countries like Lebanon, Yemen, and Libya, despite their ongoing negotiations and complex political environments. The IMF's emergency financing, policy advice, and debt relief initiatives have provided much-needed support to these nations as they navigate the health, social, and economic challenges posed by the pandemic. Going forward, continued collaboration between the IMF, other international partners, and local authorities will be instrumental in ensuring a sustainable and inclusive recovery for these countries, enabling them to emerge stronger from the crisis.

3-3-5:Algeria's case:

Algerian President Abdelmadjid Tebboune confirmed that his country would not ask for loans from the International Monetary Fund and international financial organizations, despite the social and economic crisis it is going through. Tebboune said during a meeting with the Algerian media, which was broadcast on the national channel, "We will not go to indebtedness; we will not go to the International Monetary Fund." Not to the World Bank, because indebtedness affects national sovereignty, an experience we lived through in the early nineties," when Algeria borrowed heavily from the IMF. And after a cabinet session, the Presidency of the Republic said in a statement carried by the official Algerian news agency, that Tebboune "reassured about the general economic situation of the country, inferring that Algeria will not resort to external debt, contrary to many expectations that set the end of 2020 and the beginning of 2021 as the date for Algeria to start resorting to it." ". And he insisted on "the need to establish the principle of non-external borrowing, in order to enhance Algeria's sovereignty," urging his citizens to "work, and nothing but work, to achieve the permanence of this principle

d after a cabinet session, the Presidency of the Republic said in a statement carried by the official Algerian news agency, that Tebboune "reassured about the general economic situation of the country, inferring that Algeria will not resort to external debt, contrary to many expectations that set the end of 2020 and the beginning of 2021 as the date for Algeria to start resorting to it." ". And he insisted on "the need to establish the principle of non-external borrowing, in order to enhance Algeria's sovereignty," urging his citizens to "work, and nothing but work, to achieve the permanence of this principle.

3-3-6:Algerian republic with the IMF:

Algeria is adamant that the IMF is the final resort for dealing with the economic situation, which will only get worse in 2020 due to the arrival of the Corona pandemic and the drop in oil prices.

The "OPEC" member prefers to make decisions based on the margins that are available to him both internally and externally in order to avoid getting caught up in the clutches of the International Monetary Fund again. He was released from the clutches of the IMF in 2014 after paying off debts to the organization that are estimated to be worth 33 billion dollars.

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Despite the temptations provided by the first financial institution to Algeria, the Algerian authorities are attempting to seize every opportunity to reiterate their commitment to not using external debt for public spending, especially that from the International Monetary Fund, and to restrict it, if it is a haven, to financing development projects. L3arbi

The International Monetary Fund offered Algeria its assistance by suggesting a roadmap for the country to follow and with funding from it, according to information obtained by the "New Arab" from a government source. The offer was made on the condition that what the Fund called "structural reforms" be implemented in the country. The economy by lowering public spending and the expected \$17 billion assistance budget, which Algeria refused under the justification that it has other options.l3arbi

Algeria was urged by the International Monetary Fund to "reset" its economic strategy and carry out "structural reforms" after the Corona virus's effects and low fuel costs had a significant negative impact on Algeria's economy.

"There is an urgent need to reset economic policies with the aim of correcting macroeconomic imbalances while ensuring protection and support for the most vulnerable," the International Monetary Fund delegation said in a statement released in Arabic following discussions it had via remote communication with the Algerian government between September 13 and October 3.

"The pandemic and the concurrent decline in oil production and prices had negative effects on the Algerian economy in the last year, leading to a sharp contraction in real GDP by 9.4% in 2020," the statement continued. (Alarabiya, 2020) (Arabic resource)

The most important monetary policy tools adopted by the Algerian government:

Increasing bank liquidity: The Monetary Policy Operations Committee of the Bank of Algeria has implemented the following set of steps to strengthen bank liquidity in light of the Corona pandemic, the bank reduced the required reserve ratio from 8 to 6 and the reference rate used for primary refinancing operations by 25 basis points (0.25), which will enable the release of a considerable amount of additional cash. The Bank of Algeria raised from 90% to 95% the proportion of negotiable public papers it accepts as a counterparty in monetary policy operations in order to boost banks' ability to refinance with it. It held it at 90% for the remaining maturities of under a year, the Bank of Algeria urged the other banks to provide loan proposals for small and medium-sized businesses, as well as for emerging and investing firms generally, at a fair price with the AIB in order to ensure funding for these businesses. In addition, for the remaining benefit duration of more than or equal to 5 years, the range is from 70 to 85 percent, and for the remaining benefit period of less than 1 year, it ranges from 80 to 90 percent. In light of this epidemic, these choices are vital because they will enable the banking sector release greater liquidity margins, which will give banks and financial institutions with more resources. By replacing imports with domestic manufacturing that complies with accepted international standards, more support resources to finance the national economy at acceptable costs will be made possible.

Increasing the financial capacity of economic institutions during the Corona pandemic phase:

Given the significance of economic institutions for the Algerian economy, their capacity to generate wealth and jobs, and the shortage of cash they experience due to the lack of financing options, there are between 1.3 and 1.5 million institutions. In order to help these organizations during the economic crisis brought on by the Corona virus outbreak in Algeria, banks must supply working capital. In order to safeguard the national economy and create the conditions for productive institutions to continue their operations on a regular basis, the Bank of Algeria issued Directive 05. In this situation, the bank took a

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number of exceptional and circumstantial measures that would enable financial institutions and banks to increase their financing capabilities towards economic institutions affected by the effects of the Corona epidemic.

One of the most important united measures in this regard is postponing the payment of outstanding loan installments or rescheduling loans for customers affected by the conditions resulting from the outbreak of the Covid-19 epidemic, the measures also included the continuation of financing for customers benefiting from postponing or rescheduling loans, in addition to reducing the minimum liquidity coefficient of banks and financial institutions, to raise the level of available financing (Boulares, 2020)(Arabic resource)

Conclusion of the chapter:

The COVID-19 crisis has had a profound impact on the MENA region countries, affecting many aspects of daily life and causing significant economic disruption. One of the sectors that has been hardest hit by the pandemic is the tourism industry. The restrictions on travel and movement of people put in place to control the spread of the virus have resulted in a decrease in the number of tourists visiting different countries, which has led to job losses and a decline in revenue for the tourism industry. Furthermore, the pandemic has led to an increase in inflation and unemployment in many countries, as well as a decline in economic growth due to the slowdown in economic activity caused by the crisis. The restrictions on travel and movement of goods have also had a negative impact on international trade, which has led to a decline in economic growth in total. In addition, the COVID-19 crisis also had a significant impact on oil prices in the region due to the decrease in demand for it. Which led to a decline in oil prices, which has negatively affected the economies of many countries in the region that rely heavily on oil exports for revenue the OPEC members for instance. While some countries have been able to maintain their trade and economic growth to some extent through government interventions and other measures, the pandemic has had a significant impact on the global economy, leading to job losses, business closures, and a decline in economic growth in many countries. Therefore, the International Monetary Fund had to intervene to reduce the extent of the damage and to help countries overcome this crisis. The International Monetary Fund provided financial assistance to countries in need through its Rapid Financing Instrument and Rapid Credit Facility. It also provided debt relief to the poorest and most vulnerable countries. Additionally, it provided policy advice and technical assistance to help countries implement measures to mitigate the economic impact of the pandemic, such as fiscal stimulus and social safety nets. In the MENA region specifically Jordan, Egypt, Tunisia and Morocco demanded for the help of the IMF, Jordan received \$1.3 billion in emergency financing from the International Monetary Fund Egypt received \$5.2 billion, Tunisia received \$745 million and lastly Morocco received \$3 billion and some countries such as Lebanon, Yemen and Libya are still going through negotiations with the fund.

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General Conclusion

The World Health Organization declared a global pandemic in March 2020. The pandemic has had a significant impact on public health, with millions of people infected and hundreds of thousands of deaths reported worldwide, this pandemic turned from a health crisis to an economic one because of the measures put in place to contain the spread of the virus. Governments around the world implemented lockdowns and travel restrictions, which had a significant impact on the economy. Many businesses were forced to close, and people lost their jobs, leading to a decline in economic activity. The pandemic also led to disruptions in global supply chains, a decline in international trade, and a decrease in demand for goods and services. Many countries implemented lockdowns and travel restrictions, which had a significant impact on the tourism and hospitality industry. The pandemic also led to increased poverty and inequality, with low-income households and vulnerable groups being particularly affected.

These factors combined to create an economic crisis, with many countries facing high levels of debt and reduced growth prospects. The International Monetary Fund estimated that the global economy contracted by 3.3% in 2020, the worst recession since the Great Depression.

Governments around the world implemented various measures to mitigate the impact of the pandemic, such as fiscal stimulus, monetary policy measures, and social safety nets. However, the pandemic is expected to have long-lasting effects on the global economy, with many countries facing high levels of debt. The COVID-19 pandemic had a significant impact on the economy of the MENA region as a part of the world leading to a sharp decline in economic activity, job losses, and increased poverty and inequality, therefore The International Monetary Fund (IMF) provided emergency financing to 102 countries around the world to help them address the health and economic impacts of the COVID-19 pandemic the main four countries that took help from the IMF were Jordan Tunisia Egypt and morocco and some other countries are still in negotiation with the fund. And that is what we detailed in this study and reached a set of results that allowed us to investigate the validity of the hypotheses or not.

Results of the study:

The International Monetary Fund (IMF) took several measures to reduce the damage of the economic crisis caused by the COVID-19 pandemic.

- The IMF provided emergency financing to countries around the world to help them address the health and economic impacts of the pandemic.
- The IMF also provided debt relief to some of the poorest countries in the world.
- The IMF worked with other international organizations to coordinate the global response to the pandemic.
- The IMF also provided policy advice and technical assistance to countries.
- The IMF provided several types of facilities to countries during the COVID-19 crisis. One of the main facilities was the Rapid Financing Instrument (RFI), which provided emergency financing to countries facing urgent balance of payments needs.
- The IMF also provided financing through the Rapid Credit Facility (RCF), which provided quick disbursing financing to low-income countries facing urgent balance of payments needs.
- The IMF provided financing through the Extended Fund Facility (EFF) and the Stand-By Arrangement (SBA) to help countries implement medium-term economic reforms and policies.

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- The IMF provided debt relief to some of the poorest countries in the world through the Catastrophe Containment and Relief Trust (CCRT) to help them manage the economic impact of the pandemic.
- The countries that were helped by the international monetary fund in the Middle East and North Africa region were: Jordan, Tunisia, Egypt and Morocco
- Jordan received \$1.3 billion in emergency financing from the International.
- Egypt received \$5.2 billion in emergency financing from the International Monetary Fund.
- Tunisia received \$745 million in emergency financing from the International Monetary Fund.
- And lastly, Morocco received \$3 billion in emergency financing from the International Monetary Fund.
- There are countries that are still going through negotiation with the fund such as Lebanon, Libya and Sudan. All this confirms the validity of both hypotheses.

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Recommendations:

It's important for countries to have a solid plan for how they'll use the money borrowed from the IMF and how they'll pay it back.

They should also try to negotiate favorable terms for the loan so that they don't end up in a worse financial situation down the line.

It's also important for countries to try to address the underlying economic issues that led them to need the loan in the first place. They should work to improve their economy and increase their ability to generate revenue to pay back the loan.

And finally I would advise countries to continue to support their healthcare systems and provide financial assistance to individuals and businesses that have been impacted by the pandemic.

They should also work to implement policies that will help to stimulate economic growth, such as investing in infrastructure projects and providing tax incentives for businesses.

Additionally, they should work to address any underlying economic issues that may have been exacerbated by the crisis.

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