

IMPACT OF COVID-19 ON THE GLOBAL ECONOMY

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Abstract: The impact of the global crisis caused by the COVID-19 pandemic is pervasive and affects all countries and economic sectors. However, some businesses, that have been more resilient to its adverse effects than others, for which the negative effect has been catastrophic, can stand out. There are also differences in the size of the companies, as the small ones turned out to be more flexible and therefore suffered smaller losses.

The article analyses the main financial indicators of global industries and their dynamics during the crisis, paying special attention to two of them – air transport and shipping. The main conclusion is that shipping, and in particular container transport, has proved to be more sustainable, while air transport has suffered huge losses. The explanation is that when people stop traveling to markets and goods, goods travel to people.

Keywords: global crisis, COVID-19, air transport, shipping

JEL: E32.

Introduction

The global pandemic of COVID-19 has affected all sectors of the economy in all countries of the world. At the same time, it would not be objective to say that this impact is the same for all businesses, as it is a well-known fact that there are cyclical businesses whose indicators closely

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follow macroeconomic trends and those that are countercyclical, i.e. their indicators are more stable, and some even opposite as trends in the main economic indicators characterising the general state of the economy. That is why it would be interesting to trace the impact of the global pandemic on individual industries.

This has impelled world-renowned capital markets analyst Aswath Damodaran, to include in his analyses of databases assessments the impact of COVID-19 crisis on individual industries. Based on the data on the financial indicators of the main world industries, the analysis can be deepened and the relevant conclusions can be drawn.

1. Dynamics of financial indicators before and after COVID-19, including beta uncertainty analysis by industry and country

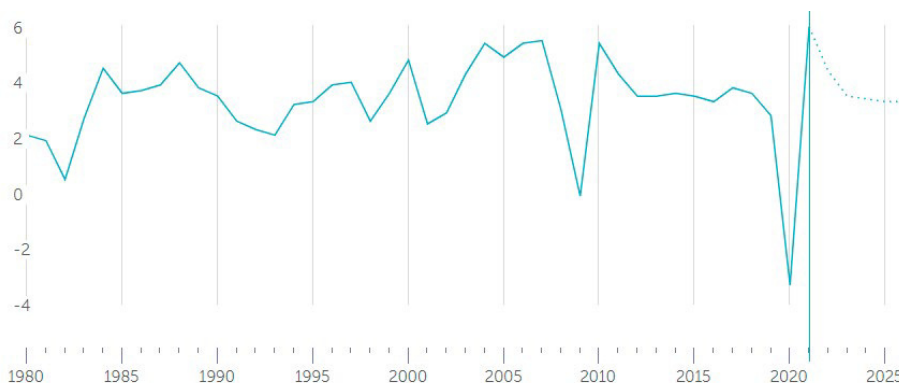
The past 2020 was marked by the global pandemic of COVID-19. In the World Bank's June report on the Global Economic Prospects of 8 June, 2020, the World Bank warned that, according to its own forecasts, the global economy will shrink by 5.2% during the year. This has been the deepest recession since World War II, with the largest fraction of economies experiencing declines in per capita output since 1870 (World Bank, 2020). The European Central Bank's Annual Report for 2020 states that "the euro area economy was struck by the extraordinary and severe coronavirus (COVID-19) pandemic shock in 2020. Economic activity contracted sharply during the first half of the year as a consequence of lockdown measures and heightened risk aversion. The strong and coordinated monetary and fiscal policy reaction, combined with positive news on vaccines, helped stabilise activity in the second half of the year. Overall, euro area GDP contracted by 6.6% in 2020" (European Central Bank, 2021). Inflation declined sharply due to falling oil prices and the economic downturn, but the pressure on domestic costs increased as productivity lagged behind rising labour costs.

In order to prevent the long-term effects of the crisis, countries have implemented a variety of support tools such as job retention schemes and

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loan guarantees to limit job losses and avoid the closure of businesses as a result of the pandemic. Mass work from home took place, where possible, forms of attendance were severely limited, the penetration of digital technologies, online services and e-commerce accelerated. Business trips, tourism trips were restricted, and distance learning was introduced.

COVID-19 affected sectors to different degrees, with less impact on companies that apply digital technologies to a greater extent and more seriously on those whose activities involve more direct contacts. Another specific feature of the effect of COVID-19 is related to its exogenous nature, i.e. that it has affected both high and low performing companies. Despite the global nature of the pandemic, its effect on national economies is not the same. The IMF estimates that the global economy contracted by 4.4% in 2020, indicating that the decline was as large as it was during the Great Depression in the 1930s (See Figure 1). The only big economy that has grown over the past year is China. The celestial empire registered a growth of 2.3% of GDP (Balarev, 2021).



Source: International Monetary Fund,
https://www.imf.org/external/datamapper/NGDP_RPCH@WEO/WEO_WORLD

Figure 1. Annual percentage change in GDP by years in the world

The impact of the pandemic on different industries has also proved to be highly differentiated. Revenues from air transport, hotel services, oil and gas exploration and production, oilfield equipment and services, and

rail transport in 2020 decreased by more than 5%, and only revenues in air transport decreased by 22.04%. The total increase in revenues of 46,580 companies monitored by Aswath Damodaran, belonging to 93 different industries, for 2020 was 0.30%. Twenty-six industries reported declining revenues, 18 industries had revenues below 1 percent, 16 industries recorded revenue growth between 1 and 2 percent and 33 industries – between 2 and 7 percent (Damodaran, 2021). However, operating revenues, which represent the difference between all revenues and all costs, are even more polarised among different industries. Their dynamics in 2020, compared to 2019, varies from -797.63% for oil and gas exploration and extraction, to 27.18% for extraction and processing of precious metals. On average for all observed industries the decrease in operating revenues is -11.79%.

The impact of COVID-19 on individual industries is also evident in the dynamics of their main financial indicators such as return on equity (ROE), return on capital (ROC) and capital structure, in particular – the increase in corporate debt ($D / D + E$).

As of 5 January, 2021, 25 of the 94 observed industries reported negative values of return on equity, while as of 5 January, 2020 they were only two, and as of 5 January, 2019 – only one. The largest reductions in ROE were recorded in air transport, coal mining and related energy production, oil and gas exploration and production, hotels and amusement parks, oilfield service and equipment, manufacture of tyres, and green and renewable energy production.

Table 1.
Industries with the largest annual reduction in ROE (%)

Industry Name	5.1.2021	5.1.2020	5.1.2019
Air Transport	-47.03%	11.74%	15.32%
Coal & Related Energy	-41.66%	13.06%	14.97%
Oil/Gas (Production and Exploration)	-37.09%	6.22%	4.44%
Hotel/Gaming	-30.40%	11.44%	15.63%
Oilfield Svcs/Equip.	-26.63%	0.01%	10.28%
Rubber& Tyres	-25.69%	9.75%	11.15%
Green & Renewable Energy	-20.59%	10.43%	10.20%

Source: Author's own calculations based on <http://www.damodaran.com>

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At the other pole, there are some industries which not only did not worsen the values of their indicators, but also registered significant growth. These industries are retail (grocery and food), production and trade of household products, semiconductor equipment, retail (incl. automotive), computers and peripherals, financial services (non-banking and insurance), the activity of hospitals and healthcare facilities.

Table 2.
Industries with the largest annual increase in ROE (%)

Industry Name	5.1.2021	5.1.2020	5.1.2019
Retail (Grocery and Food)	30.63%	10.18%	13.01%
Household Products	31.60%	16.30%	20.01%
Semiconductor Equip	32.23%	17.32%	21.48%
Retail (Automotive)	36.28%	14.86%	20.50%
Computers/Peripherals	50.53%	18.18%	22.16%
Financial Svcs. (Non-bank & Insurance)	64.28%	20.62%	15.40%
Hospitals/Healthcare Facilities	70.64%	12.87%	7.41%

Source: Author's own calculations based on <http://www.damodaran.com>

These values of return on equity are also reflected in the values of the return on capital (ROC) indicator, as at 5 January 2021 nine industries had negative values of the indicator, compared to only one for the previous year. These are air transport, coal mining and related energy, oil and gas production and exploration, hotels and amusement parks, truck transport, real estate trade, banking.

Table 3.
Industries with the largest annual reduction in ROC (%)

Industry Name	5.1.2021	5.1.2020	5.1.2019
Air Transport	-16.07%	6.64%	8.48%
Coal & Related Energy	-7.50%	14.76%	15.72%
Oil/Gas (Production and Exploration)	-6.33%	9.10%	7.34%
Hotel/Gaming	-5.24%	8.80%	10.27%
Trucking	-4.04%	4.26%	7.73%
Oil/Gas (Integrated)	-2.33%	13.70%	8.42%
Real Estate (Development)	-1.41%	9.11%	9.52%
Banks (Regional)	-0.08%	-0.02%	0.00%
Bank (Money Centre)	-0.01%	0.02%	0.02%

Source: Author's own calculations based on <http://www.damodaran.com>

It is of interest to analyse how the capital structure of companies from different industries has changed, how they have reacted to the deterioration / improvement of their profitability indicators. In general, there is a decrease in the share of attracted capital in the total amount of capital of companies, which as of 5 January 2019 was 32.51%, as of 5 January 2020 – 31.49%, and as of 5 January 2021 – 28.68%. This may be due to both the refrain from taking out bank loans in conditions of financial uncertainty and the reduction of liabilities to suppliers as a result of shrinking production and sales. The industries with the largest increase in the share of attracted capital are presented in the following table:

*Table 4.
Industries with the largest annual increase in the share of attracted capital in the last three years (%)*

Industry Name	5.1.2021	5.1.2020	5.1.2019	Increase
Advertising	43.66%	33.05%	32.12%	11.54%
Broadcasting	54.90%	40.21%	43.11%	11.78%
Oil/Gas Distribution	56.46%	44.48%	48.12%	8.35%
Air Transport	61.74%	51.58%	48.43%	13.31%
Rubber& Tyres	63.62%	35.42%	32.26%	31.36%
Apparel	28.26%	21.66%	19.66%	8.60%
Computer Services	28.44%	19.37%	19.90%	8.55%

Source: Author's own calculations based on <http://www.damodaran.com>

The industries with a share of attracted capital over 50% are life insurance, radio and television broadcasting, oil and gas supply, air transport, production of tyres and rubber products, bank payments, brokerage and investment banking, and non-banking and insurance financial services.

It can be seen that the pandemic of COVID-19 affects different industries differently, which defines some as systematic and others as non-systematic. Next, we will look at the state of two industries – one severely affected by the epidemic, such as air transport, and the other – relatively sustainable and even prosperous in the pandemic crisis.

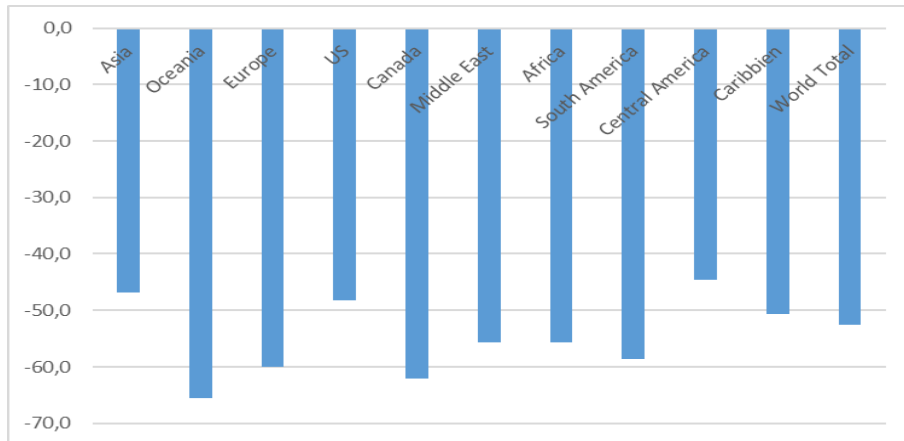
2. Analysis of the state of air transport and shipping as a result of the global pandemic

2.1. Analysis of trends in the air transport sector in the context of a pandemic crisis

Undoubtedly, one of the hardest hit by the COVID-19 industry pandemic was the aviation industry, primarily international and domestic flights, and not so much freight. Normally, business trips account for more than half of airlines' revenues, but in 2020 these trips were severely limited, as a result, airlines registered a significant drop in revenue and realised losses. Tourist trips also decreased. It was normal in a crisis for airlines to refocus on freight, but there was also a contraction. The reasons given are the China-US trade war, the saturation of the markets with medical consumables and devices necessary for the prevention and treatment of COVID-19 patients. But it should also be borne in mind that not all types of cargo are suitable for grouping and transportation by aircraft.

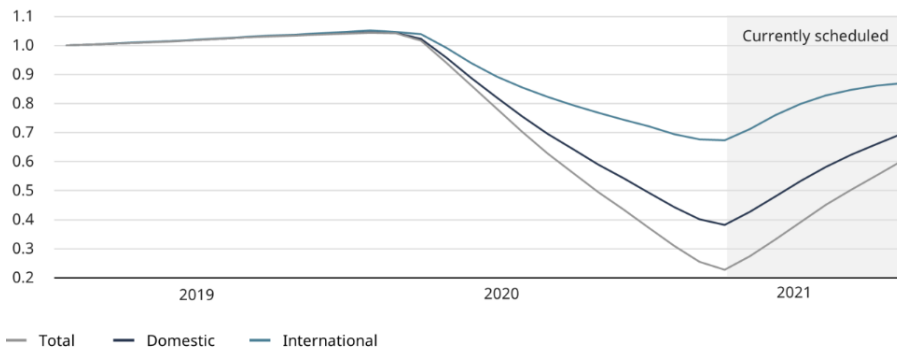
As Oliver Wyman points out, according to data from the Global Business Travel Association, due to COVID-19, almost three quarters of companies worldwide have cancelled or suspended domestic travel and 93 percent have cancelled or stopped international travel. Based on data from Airlines Reporting Corp., he points out that corporate bookings fell by 85% in 2020 and remained at that level in 2021. Airlines have limited their flying capacity, leaving many aircraft in hangars (Tom Stalnaker, 2021).

In the second half of 2020, global domestic capacity, measured in flight seats in airplanes (available seat miles), decreased by 34%, while international capacity decreased by a stunning 75%. The loss of international traffic has also killed tourism, although there has been some growth since the beginning of 2021 as a result of the measures taken to vaccinate the population.



Source: <https://www.oliverwyman.com/our-expertise/insights/2021/mar/airline-economic-analysis-2020-2021.html>

Figure 2. Capacity reductions by region in available seat miles, 2020 versus 2019 (%)



Note: As of February 15, 2021

Source: OAG schedule data via PlaneStats.com; Domestic = capacity within individual countries

Figure 3. Capacity index by flight seats in airplanes, on a rolling 12-month basis 2019–2021

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All the main indicators characterising the activity of the airlines have deteriorated sharply in the past 2020. Data are from the International Civil Aviation Organization (ICAO), the International Air Transport Association (IATA), the Airports Council International (ACI), the United Nations World Tourism Organization (UNWTO), the World Trade Organization (WTO) and the International Monetary Fund (IMF). The comparison is with the data for 2019, except for the figures marked with an asterisk symbol (*), which are compared with the level for 2020 (See Table 5.)

*Table 5.
Main indicators for the activity of the airlines in 2020*

Seats offered (Capacity)	-50%
Revenue from passengers flown (USD)	-2,699 billion
Loss of airlines (USD)	-371 billion
International Air Passenger traffic	-60%
Airport revenues	-66.30%
Airline revenue per kilometre	-65.90%
International tourism receipts (USD)	-1,3 billion

Source: Data from ICAO International Civil Aviation Organization
https://www.icao.int/sustainability/Documents/COVID-19/ICAO_COVID_2021_01_14_Economic_Impact.pdf

Current analyses by the International Civil Aviation Organization (ICAO) show that the impact of COVID-19 on global scheduled passenger traffic compared to Baseline (the usual business originally planned) is:

- For the whole year 2020 (January – December):
 - A total reduction of 51% of the seats offered by the airlines;
 - A total reduction of 2 851 million passengers;
 - Approximately USD 391 billion potential loss of gross passenger operating revenue of airlines.
- For the first half of 2021(January – June):
 - Total reduction ranging from 40% to 47% of the seats, offered by the airlines;

- A total reduction from 1 129 to 1 360 million passengers;
- Approximately USD 163 to USD 194 billion potential loss to airlines.

The table below presents data on the reduction in the capacity of airlines carrying passengers and the number of passengers for 2020 and the first half of 2021:

Table 6.
Reduction of the capacity of airlines carrying passengers and the number of passengers for 2020 and the first half of 2021

Compared to Baseline	Seat capacity (%)			Passenger number (million)		
	Total	Inter.	Domestic	Total	Inter.	Domestic
1Q 2020	-18%	-20%	-17%	-280	-108	-172
2Q 2020	-79%	-92%	-69%	-1,025	-478	-546
3Q 2020	-56%	-75%	-42%	-865	-468	-397
4Q 2020	-49%	-75%	-31%	-681	-389	-292
Total 2020	-51%	-67%	-40%	-2,851	-1,444	-1,407
1Q 2021	-48% to -50%	-72% to -75%	-32 to 33%	-634 to 673	-357 to 372	-277 to -301
2Q2021	-32% to -44%	-49% to -66%	-20 to -28%	-495 to -687	-307 to -401	-188 to -286

Source: https://www.icao.int/sustainability/Documents/COVID-19/ICAO_COVID_2021_01_14_Economic_Impact.pdf

2.2. Analysis of trends in the maritime transport sector in the context of a pandemic crisis

Despite the threat of a global crisis caused by the restrictions imposed by the COVID-19 pandemic, it turns out that restrictions on people's travels have not only reduced but also slightly increased the movement of goods, which has proved beneficial to maritime freight transport. As can be seen in Table 7, the revenues of companies in the Shipbuilding & Marine industry as a result of the Covid-19 effect increased for the period 2019 – 2020 by 1.15%, and their operating income – by 10.13%.

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Table 7.

COVID-19 effect on the performance of companies in the Shipbuilding & Marine industry (USD)

Industry Name	Revenues			Operating Income		
	LTM 2019	LTM 2020	% Change	LTM 2019	LTM 2020	% Change
Shipbuilding & Marine	\$275 846	\$279 019	1,15%	\$ 20 713	\$ 22 812	10,13%

Source: http://people.stern.nyu.edu/adamodar/New_Home_Page/datafile/COVIDeffects.html

Along with the pandemic, other factors have influenced the development of this business in the past 2020, such as:

- The decision of the International Maritime Organization (IMO) of 1 January 2020 to use low sulphur marine fuel oil which leads to increased costs. This regulation is expected to increase fuel costs in the sector by \$ 60 billion per year.
- The development of technologies that are expected to make the sector more efficient. Operational efficiency and environmental protection form new technologies and trends in shipbuilding.
- Geopolitics. After the US presidential election, the US-China conflict is expected to continue and even deepen. The trade conflict could lead to a decline in global GDP. Southeast Asia will remain the world leader in economic growth. Expectations that coronavirus's relationship with China would lead to a contraction in the country's consumption of goods and hence a reduction in container shipments to ports of departure in China have not been met.

An accurate picture of the development of container shipping is provided by the ConTex (Container Ship Charter Assessment Index), which has been published by the Hamburg and Bremen Shipbrokers' Association (VHBS) since October 2007. In May 2010, the Index was expanded and renamed to New ConTex. It is a company-independent Index of time charter rates for container ships. It is based on assessments of the current day charter rates of six selected container ship types, which are representative of their size categories: Type 1.100 TEU and Type 1.700 TEU with a charter period of one year, and the Types 2.500, 2.700, 3.500

and 4.250 TEU all with a charter period of two years. Starting on 2nd of October 2013, the VHBS started to publish shorter charter periods of only 6 months for the ship classes 1100 TEU and 1700 TEU in order to give an even more accurate picture of market developments. The table below shows that as of 30 March, 2021, the values of the Index for all types of ships are increasing, i.e. at freight prices. The chart after it also shows an increase in the ConTex index common to all types of container ships.

Table 8.
Trend of the values of the ConTex Index for the tariffs of the charters of the container ships as of 30 March 2021

ConTex Index	6 months		12 months			
Type of container ship	Type 1100	Type 1700	Type 2500	Type 2700	Type 3500	Type 4200
Value	12,958	18,727	23,963	26,929	29,673	36,255
Trend	↑	↑	↑	↑	↑	↑

Source: <https://www.vhbs.de/index.php?id=28&L=1>

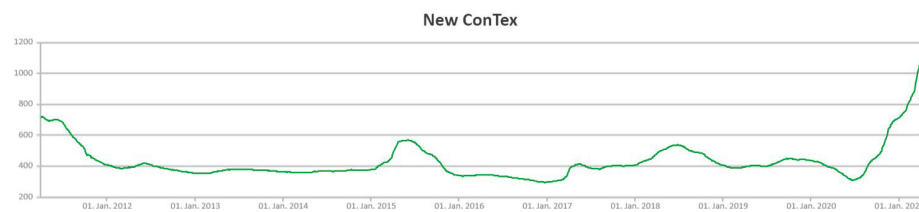


Figure 4. *Values of the New ConTex Index for the period 1 January, 2012 – 1 January, 2021 for all types of container ships*

As the data show, the two industries, air transport and shipping, have suffered very differently from the effects of the global pandemic. The reason for this may lie in a complex of factors. One of them is the specifics of the cargo, which is transported with one and the other type of transport and the possibilities for their grouping. Another factor is the possibilities for raising prices and reducing costs, which are higher for container ships. Of course, risky events are not excluded in this sector,

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as the main event that was registered in the first quarter of 2021 is the blocking of the Suez Canal by the containership Ever Given. According to preliminary data, the damage is estimated at around 1 billion dollars, and 425 ships were forced to wait in the northern and southern part of the canal, through which 10% of the world trade passes. But the losses in this incident were covered mainly by global insurers and reinsurers, not so much by the carriers themselves. Another peculiarity of the two industries is that if in air transport the majority falls on passenger transport, then in shipping it is the goods. And when people cannot go to the goods, the goods go to the people. The gas war between the United States and Russia has led to an increase in the liquefied natural gas (LNG) market and the launch of new carriers.

All this defines air transport as a distinct cyclical industry, highly dependent on economic cycles and in particular on the stagnation of the economy as a result of the COVID-19 pandemic, while maritime transport appears to be countercyclical, i.e. independent and even profitable from the occurrence of such crises.

3. Assessment of the condition of companies in both industries

Like any other statement, the general conclusion made from the analysis of maritime and air transport cannot be absolute, as there are companies in the same industry that do better than others in crisis situations. If large shipping companies are showing relatively sustainable results, the same cannot be said for airlines, which include those that have been more vulnerable to crisis and those that have shown greater resilience.

The two tables below present data from the balance sheets and income statements of two shipping companies – one smaller company (Man Zhu Chipping Corp.) and one larger company (Flow Star Chipping Corp.).

Table 9.
Key financial indicators of Man Zhu Chipping Corp. for 2019 and 2020

Man Zhu Chipping Corp.		
	2019	2020
Net sales revenue	50 057	50 927
Operating expenses	41 315	41 931
EBITDA (earnings before interest, taxes, depreciation and amortization)	8 742	8 996
EBIT (earnings before interest and taxes)	7 533	7 688
Net profit / loss	7 108	7 202
Equity	29 340	36 542
Total assets	36 151	42 527
Growth rate compared to the previous period		
Sales		1,74%
EBITDA (earnings before interest, taxes, depreciation and amortization)		2,91%
EBIT (earnings before interest and taxes)		2,06%
Net profit / loss		1,32%
Equity		24,55%
Total assets		17,64%
Profitability		
EBITDA Margin	17,46%	17,66%
EBIT Margin (ROS)	15,05%	15,10%
Net margin	14,20%	14,14%
ROA	19,66%	16,94%
ROE	24,23%	19,71%
Financing		
Short-term debt	326	326
Long-term debt	3 003	2 094
Debt / Assets	0,092	0,06
Debt / Equity	0,11	0,07

Source: Author's own calculations based on official data from Balance Sheet for the Years Ending 2020 and 2019 of Man Zhu Shipping Corp. and Income Statement for the Years Ending 2020 and 2019 of Man Zhu Shipping Corp.

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Table 10.
Key financial indicators of Flow Star Chipping Corp. for 2019 and 2020

Flow Star Chipping Corp.		
	2019	2020
Net sales revenue	355 644	356 046
Operating expenses	315 156	315 347
EBITDA (earnings before interest, taxes, depreciation and amortization)	40 488	-354 026
EBIT (earnings before interest and taxes)	33 241	33 337
Net profit / loss	34 307	34 401
Equity	274 593	308 994
Total assets	303 472	341 671
Growth rate compared to the previous period		
Sales		0,05%
EBITDA (earnings before interest, taxes, depreciation and amortization)		-974,40%
EBIT (earnings before interest and taxes)		0,29%
Net profit / loss		0,27%
Equity		12,53%
Total assets		12,59%
Profitability		
EBITDA Margin	11,38%	11,43%
EBIT Margin (ROS)	9,35%	9,36%
Net margin	9,65%	9,66%
ROA	11,30%	10,07%
ROE	12,49%	11,13%
Financing		
Short-term debt	6 029	6 294
Long-term debt	6 003	8 803
Debt / Assets	0,056	0,04
Debt / Equity	0,06	0,05

Source: Author's own calculations based on official data from Balance Sheet for the Years Ending 2020 and 2019 of Flow Star Shipping Corp. and Income Statement for the Years Ending 2020 and 2019 of Flow Star Shipping Corp.

The data in the tables show that both companies, despite the difference in size, have shown resilience in the pandemic crisis and have maintained good values of the main profitability ratios. Their capital structure has not deteriorated, on the contrary, their indebtedness, albeit weak, has decreased. Their equity has increased and their profits are stable.

This is not the case with airlines. As mentioned above, this is the industry that has suffered the most from the COVID-19 crisis. But there are also companies that have managed to maintain their good market position and financial stability. Wizz Air is such a company, which in 2020 achieved an increase in the number of passengers by 15.8% to 40 million, increased its revenues by 19.1% and achieved a net profit of 281.1 million euros. Wizz Air's financial sustainability is explained by its focus on cost and cash management. In the crisis year of 2020, Wizz Air even set up a joint venture with Abu Dhabi Developmental Holding Company, developed 98 new routes and signed a memorandum with Airbus S.A.S. ('Airbus') related to the exercise of some of the existing options for the purchase of 20 Airbus A321XLR aircraft. In addition to the above, in April 2020 Wizz Air was recognized as an eligible issuer under the UK Government's COVID Corporate Financing Facility (CCFF) and received 300 million pounds.

Unlike this small airline, the twenty-times-larger American Airlines Group Inc. suffered huge losses that melt its own capital and made negative all its profitability ratios. The company's debt has already exceeded the value of its assets. All this can be seen from the following two tables with the main financial indicators of Wizz Air and American Airlines Group Inc.

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Table 11.
Key financial indicators of Wizz Air for 2019 and 2020

Wizz Air		
	2019	2020
Net sales revenue	2 319	2 761
Operating expenses	1 961	2 423
EBITDA (earnings before interest, taxes, depreciation and amortization)	358	338
EBIT (earnings before interest and taxes)	129	294
Net profit / loss	123	281
Equity	1 206	1 235
Total assets	3 944	4 358
Growth rate compared to the previous period		
Sales		19,06%
EBITDA (earnings before interest, taxes, depreciation and amortization)		-5,59%
EBIT (earnings before interest and taxes)		127,91%
Net profit / loss		128,46%
Equity		2,40%
Total assets		10,50%
Profitability		
EBITDA Margin	15,44%	12,24%
EBIT Margin (ROS)	5,56%	10,65%
Net margin	5,30%	10,18%
ROA	3,12%	6,45%
ROE	10,20%	22,75%
Financing		
Short-term debt	320	467
Long-term debt	2 738	3 123
Debt / Assets	0,78	0,82
Debt / Equity	2,54	2,91

Source: Author's own calculations based on official data from Wizz Air Holdings PLC. Annual report and Accounts 2020. https://wizzair.com/static/docs/default-source/downloadable-documents/corporate-website-transfer-documents/wizz-air-holdings-plc-annual-report-and-accounts-2020_v3_fd38d396_f3a72374.pdf

Table 12.
Key financial indicators of American Airlines Group Inc. for 2019 and 2020

American Airlines Group Inc.		
	2019	2020
Net sales revenue	45 768	17 337
Operating expenses	35 379	24 933
EBITDA (earnings before interest, taxes, depreciation and amortization)	10 389	-7 596
EBIT (earnings before interest and taxes)	3 351	-10 226
Net profit / loss	1 686	-8 885
Equity	-118	-6 867
Total assets	59 995	62 008
Growth rate compared to the previous period		
Sales		-62,12%
EBITDA (earnings before interest, taxes, depreciation and amortization)		-173,12%
EBIT (earnings before interest and taxes)		-405,16%
Net profit / loss		-626,99%
Equity		-5719,49%
Total assets		3,36%
Profitability		
EBITDA Margin	22,70%	-43,81%
EBIT Margin (ROS)	7,32%	-58,98%
Net margin	3,68%	-51,25%
ROA	2,81%	-14,33%
ROE		
Financing		
Short-term debt	18 311	16 569
Long-term debt	41 802	52 306
Debt / Assets	1,00	1,11
Debt / Equity		

Source: Author's own calculations based on official data from the Balance Sheet and Income Statement of the company, published on <https://finance.yahoo.com/quote/AAL/financials?p=AAL> and <https://www.wsj.com/market-data/quotes/AAL/financials>.

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The big differences in the values of the profitability ratios for of the four analysed companies can be seen in the following figure:

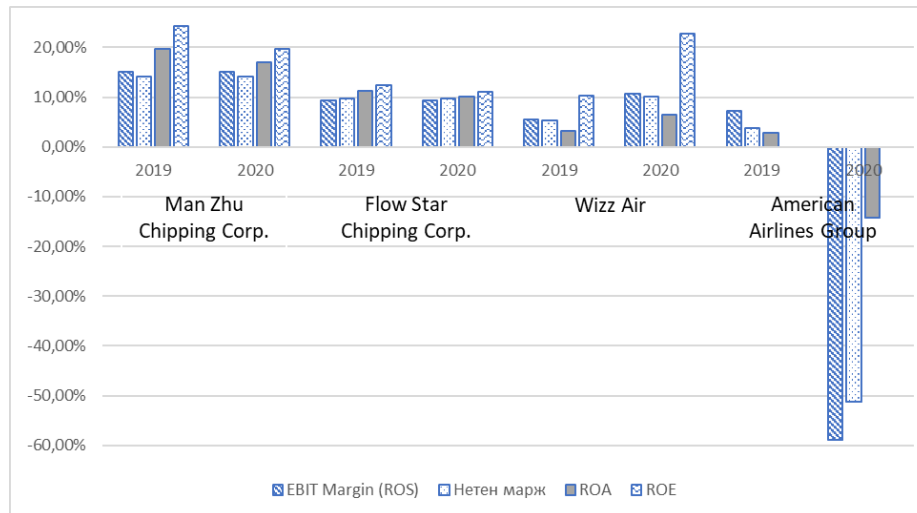


Figure 5. Key profitability ratios of Man Zhu Chipping Corp. Flow Star Chipping Corp., Wizz Air and American Airlines Group Inc. for 2019 and 2020.

Conclusion

Economic crises have always affected various industries differently, as it is a known fact that "heavy industries" such as mechanical engineering, metallurgy, chemical industry, etc. have always been more vulnerable than those providing basic necessities, such as food processing industry, pharmaceutical industry, etc. The crisis caused by the COVID-19 pandemic is different and has its "imprint" on different sectors of the economy. It turns out that air transport, and in particular passenger transport, has been hit hard by the crisis, while other industries such as maritime transport, and freight sea transport in particular, have been more resilient. There are also differences in the size of companies in the same

industry, with small companies being more flexible and suffering less losses.

All this shows that when drawing conclusions about the impact of the pandemic crisis on global industries, it should not be generalised, but analysed separately, understanding the specific characteristics of the business and the specifics of particular companies that represent it. In the case of air passenger transport and container ships, it can be concluded that when people are prevented from going to markets and goods, goods reach them anyway, which in this case characterises maritime freight transport as counter-cyclical and air transport as highly cyclical and dependent on such crises.

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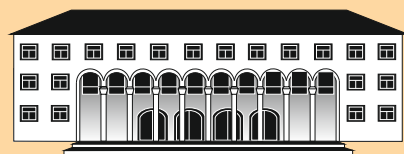
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