

How COVID-19 is Causing Chaos in the Business World

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COVID-19 is a new type of coronavirus, a common family of viruses that appeared toward the end of 2019 in Wuhan, China. This type is caused by a virus called SARS-CoV-2.

In the current situation where COVID-19 is rapidly spreading worldwide and the number of cases in Europe is rising with increasing pace in several affected areas, there is a need for immediate targeted action. The speed with which COVID-19 can cause nationally incapacitating epidemics once transmission within the community is established indicates that in a few weeks or even days, it is likely that similar situations to those seen in China and Italy may be seen in most countries worldwide.

The virus outbreak could lead to sharp declines in domestic demand, tourism and business travel, trade and production linkages, supply disruptions, hurting growth in developing Asia. With several countries at risk of recession as Covid-19 spreads around the world, most businesses are heavily affected worldwide.

After COVID-19 the financial markets have been under tremendous pressure, instability and confusion. The world stock markets were in a freefall at the end of February 2020. Some might doubt the magnitude of this rapidly spreading outbreak, but as these low-purchasers point out, the big picture might see this uncontained epidemic as unknown. The Asian Development Bank (ADB) on 6 March said the COVID-19 could reduce global gross domestic product (GDP) by 0.1-0.4%, with financial losses predicted to reach between \$77 billion and \$347 billion.

The influence of imports into China has directly impacted countries around the world's export economy. China has been the largest supplier to industrial firms abroad for intermediate supplies. As of today, about 20 per cent of global intermediate-product manufacturing activity originates in China (up from 4 per cent in 2002).

With crude oil, LNG, agricultural products and metals this has an immediate impact. For energy, we saw demand from China, the biggest net crude oil importer, take away almost ten per cent of global production for January. With China at a near standstill on imports as well as a decline in exports, with China being the world's largest oil importer, the need for oil was severely diminished, oil markets have since been in decline and we will likely continue to see this move lower until further actions are executed.

With the coronavirus pandemic continuing to spread around the world, the aviation industry is being jolted. In a statement by Nicholas E. Calio, chief executive of Airlines for America, Flights are being taken down because people aren't getting on aeroplanes. An industry trade group said the coronavirus could wipe out between \$63 billion and \$113 billion in worldwide airline revenues this year.

Given that most people are avoiding travelling and most borders are being closed, the effects of the epidemic on the global tourism industry is accelerating rapidly. Covid-19 is already being felt across the Asian continent, where leisure and business travel contributed \$884 billion to the gross domestic product in 2017, the most recent year for which data has been compiled by the World Travel and Tourism Council.

The Organisation for International Cooperation and Development has cautioned that an increase in the coronavirus epidemic could slash global economic growth by half and plunge many countries into recession this year.

Global financial markets, largely ignoring Covid-19 as it spread across China, reacted strongly last week when the virus spread to Europe and the Middle East, fuelling fears of a global pandemic. Covid-19 threats have now been so highly-priced across multiple asset classes that some may consider a global economic slowdown to be a foregone conclusion. That means travel bans for people from some countries, schools shutting down – and a prohibition on any event involving the gathering of more than 100 people.

Coronavirus wipes out most of the world's major sports events on an unprecedented day. There will be no elite football in the whole of Britain for the next three weeks at least - with BBC Sport's Dan Roan reporting that a Premier League and EFL re-start on 3-4 April is privately deemed "almost impossible". UEFA has postponed next week's Champions League and Europa League fixtures.

Who is at highest risk?

Early reports from China, where COVID-19 started, suggests that certain people are at increased risk of becoming sick from this disease. People who have serious chronic medical conditions like Diabetes, Lung cancer, heart disease and the elderly people. When you are at higher risk of COVID-19 serious illness because of your age or because you have a substantial long-term health condition, you need to take steps to minimize the chance of being sick with the illness.

If you are not in an area where COVID-19 is spreading, or have not travelled from an area where COVID-19 is spreading, or have not been in contact with an infected patient, your risk of infection is low. Understandably, you may feel anxious about the outbreak. Get the facts from reliable sources to help you accurately determine your risks so that you can take reasonable precautions.

Businesses are just as vibrant as the cultures they are a member of. Companies need to work out ways to support attempts to respond, like by supplying resources, facilities or skills. A few firms, for example, changed manufacturing to produce surgical masks and clothes.

How business must prepare for COVID-19

- Companies need to check home-working technologies and evaluate and prepare policies on remote employment and sick pay;

It pays to test home-working technology now before it's needed. It will help to identify any future problems that might arise during the action and people will no longer be able to travel to work to fix those problems. What are you going to do about roles that can't be performed from home? Employees need to know where they stand before the virus is on the doorstep.

- Global preparedness and reaction to the epidemics are underfunded, therefore industry needs to help address this void.

If affordable it will be a good action to help the government with the funds needed to help with the prevention of Corona virus.

- How and what employers communicate with their employees about coronavirus is critical.

The communications that employers deliver to their employees will be among the most important information they get about this pandemic. Employers should be thinking now about how they're going to pass on messages from the World Health Organization (WHO) to their employees since the 2020 Edelman barometer has repeatedly proven that a person's employer is the most trusted of all social messengers than all the other.

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