

Commerce in a time of COVID

18 June 2020, by David Bradley



Credit: CC0 Public Domain

The ongoing COVID-19 pandemic caused by the recently emerged virus SARS-CoV-2 is affecting everyone's lives in many significant and disparate ways. New research published in the *International Journal of Integrated Supply Management* has looked at how companies are attempting to sustain their supply chains in the face of this disease.

Dmitry Ivanov of the Berlin School of Economics and Law, Germany and Ajay Das of CUNY-Baruch, New York, U.S., point out how the impact of the pandemic is unlike any prior natural disaster. They explain that low-frequency-high-impact events can pose a considerable risk to supply chains and the normal functioning of society. The effects of such events ripple through economies and society. The team has now modelled this ripple effect on [global supply chains](#) in the wake of the COVID-19 pandemic. Fundamentally, epidemics and pandemics are a special instance of low-frequency-high-impact events, the team suggests. After all, they add, in contrast to geographically centred, singular occurrence—such as a natural or industrial disaster—a pandemic is not limited to a particular region nor confined to a particular time period.

In their analysis, they consider the velocity with

which the pandemic propagated, the duration of production, distribution, and market disruption, and the decline in consumer demand. They have also analysed how risk to supply chains might be mitigated in the face of this [pandemic](#) and have mapped out potential recovery paths. The creation of flexible and dynamic virtual local supply and demand structures are perhaps key to resilience. However, the team also points out that they believe this is not the end of global supply chains.

"Every crisis ends, and once the situation normalises, global supply chains would continue to offer a degree of efficiency and effectiveness that cannot be matched by domestic or regionally limited supply chains," they write.

More information: Coronavirus (COVID-19/SARS-CoV-2) and supply chain resilience: a research note', *Int. J. Integrated Supply Management*, Vol. 13, No. 1, pp.90-102

Provided by Inderscience

APA citation: Commerce in a time of COVID (2020, June 18) retrieved 21 June 2021 from <https://phys.org/news/2020-06-commerce-covid.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.