

COVID-19 and its influence on the world economy

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Recently there have been many discussions about COVID-19 and how the virus will influence the world economy in our future. Our modern society requires global cooperation, e.g., for supply chains or outsourcing. Is this still going to be possible after this pandemic?

My personal view is that it is going to change more than we would have ever expected. People are getting more aware of such disasters and try to prepare for similar scenarios in the future as much as possible. Many online businesses are profiting from this situation, while physical stores are having a hard time paying their rent due to a high lack of customers or even complete closure for several months. I think that the economy will undoubtedly be poorly hurt due to the virus. Prices of many different things will be going up to keep businesses alive, but at the same time salaries will be decreasing because of the same reason. In my opinion, this is a terrible thing to happen to our economy, fewer people can afford a given product, but at the same time, everything gets more expensive. Because of this spread, many companies, especially small ones, will go bankrupt. Most big companies will be able to survive this crisis because of their high budget to stay running. This can cause monopolies in many different industries, which can lead to an even worse price and service index.

Furthermore, outsourcing and worldwide supply chains are massively slowed down because of restrictions. The commercial flight was canceled for many months, that is why global shipments and cargo are often delayed. In my opinion, the tourism industry will also have a hard time coming back to "normal." Even when flights will be available for everyone again, tourism will not be as profitable as it was before due to many people still being scared to travel.

To sum it up, I think that the COVID-19 virus will have a significant influence on our economy in the future. Also, the mindset of people will change, and companies will need some time to rebuild. Global cooperation in the economy will still be possible, but it is generally going to be slower and more expensive. In my opinion, it will take quite a long time for the economy to recover after this world crisis.