

Problems Occur Due To Impact of COVID-19 on Global Supply Chain

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Abstract- COVID-19 be the black swan event that finally forces many companies, and entire industries, to rethink and transform their global supply chain model. One fact is beyond doubt: It has already exposed the vulnerabilities of many organizations, especially those who have a high dependence on India and China to fulfil their need for raw materials or finished products.

I. INTRODUCTION

The COVID-19 pandemic is influencing global supply chains, affecting key materials and ingredients, finished products, logistics, shipping and more. The current pandemic many companies and countries are having their vulnerabilities exposed. Those that rely heavily on a limited number of trading partners are facing a wave of challenges because of citywide closure and quarantines, resulting in many factories shutting down their operations.

China and India having dominant role as the “world’s factory” means that any major disruption puts global supply chains at risk. Highlighting this is the fact that more than 200 of the Fortune Global 500 firms have a presence in this countries, the highly industrialized province where the outbreak originated, and which has been hardest hit.

II. ELABORATIVE APPROACH

The past four decades have borne witness to almost exponential growth in global trade flows. One by-product of this has been a rise in the complexity of supply chains, many of which have evolved, more by accident than design, into an enmeshed and entangled web of third party transactions. Outside of the most highly regulated industries few businesses, let alone their customers or end-use-consumers properly scrutinize the chain of manufacturers, sub-manufacturers, distributors and logistics-handling

agents who are all responsible in part for making the final transaction a reality. India and China is a manufacturing hub of many multinational companies. After manufacturing, this material supplied to various countries in the world but due to this pandemic situation of COVID-19, domestic as well as international transportation service stop due to this supply chain is not able to transport the raw material to manufacturer and finished product to customer. This Covid-19 affect various sectors such as Agriculture, food processing, manufacturing, transportation, etc.

In addition, today’s value chains are global and more complex than they were in 2003 or 2011. According to “Business Impact of the Coronavirus,” a Dun & Bradstreet report published earlier this month, 938 of the Fortune 1000 companies have a tier 1 or tier 2 supplier that has been affected by the virus.

III. FINDINGS

Due to this pandemic situation of COVID-19, various sector suffering we can see as follows:

- Pharmaceutical Sector - The most affected sector due to covid-19 is pharmaceutical the American and European countries are dependent on India and China for raw material to produce pharmaceutical finished product but due to lockdown the supply of raw material is stop.
- Agriculture sector - The most of small farmers in developing countries rely on family labour. The farm sector, however, affected indirectly by COVID-19 through the disruption of input supply chains, and of consumer demand due to lost income and other economic impacts of the pandemic.

- Manufacturing sector - Manufacturers will likely face continued downward pressure on demand, production and revenues as the COVID-19 pandemic intensifies. They will also likely face cash-flow liquidity challenges and difficulties in managing debt obligations.
- IT Sector - Most organizations do not have a tech stack in place for a reliable business-continuity plan (BCP). Due to enhanced remote work scenarios, IT departments will play a larger role in future BCPs, and will need help from IT service providers in procuring devices, setting up a resilient, flexible and secure network, disaster recovery systems, IT security, etc.

CONCLUSION

Due to this situation of COVID-19 the various sectors of industry is get affected in different way. The global economy is now suffering due to this pandemic situation. In upcoming years, the supply chain is booming sector because now people are prefer to buy things online to avoid social gathering.

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