

Why the Coronavirus destroyed some economics?

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There is no doubt that the outbreak of the coronavirus has had significant consequences beyond the disease and the effort to reduce its effects. All studies revealed a significant slash in the global economy and a plunge in Chinese factory output during February, which is consequently damaged all companies around the world.

The second-largest economy in the world is expecting a recession in 2020 and set to “bring a negative impact” on economic growth. Economists argue if China will be able to overcome this ordeal. If we look back to China history, we can realize that China is accustomed to crises. In 2019 and despite the trade war with the United States, China has maintained a

growth rate of 6.1 percent. In 2003, the SARS outbreak affected China economy which knocked off an estimated 1 percent or more from China's growth rate but within few months, the Chinese economy recovered due to the ability of the Chinese companies to face such crises professionally.

In the business world, internal and external risks might be happening daily, however, the significant questions are: Are we prepared to face it? Do we have an effective plan to mitigate risks? Do we have professional people to deal with these crises on time? and many other questions. The economy of all countries could be affected by the coronavirus outbreak, however, countries such as China, the USA and so on, can brisk up their economies in a few months but the essential question is what about the developing countries?

Kristalina Georgieva the head of the International Monetary Fund said: " The Global lender was ready to provide support and help the poorer countries during the coronavirus outbreak." This reveals that the developed countries are well prepared for these types of crises and during the epidemic outbreak ready to help developing countries. On the other hand, such a period revealed that many countries need to take significant steps to build a strong economy instead of a fragile economy.

Where the economy in any country is based on SMEs which, consist around 70% of the economic growth, the primary attention for these countries should be to support SMEs to be agile and able to face any future crisis. This support is through encouraging them to be qualified by using the latest managerial and technological concepts professionally and effectively. The use of the latest technologies could lead us to be a smart city, however, how can we use these smart

technologies if we don't have smart people? The investment in people will help companies to have strategic flexibility and be able to create an effective plan during crises to avoid bankruptcy.

In Conclusion, the coronavirus outbreak revealed that many SMEs are not ready to transact with the crisis in a professional way even with the high technologies available. Smart and professional people are the pillars of businesses and the economy and that technology is just a tool to provide services in optimal time and high quality. To build an effective and agile economy, countries must encourage SMEs to invest in people in parallel with technology to be able to maintain sustainability.