

AN ASSESSMENT OF THE IMPACT OF THE PANDEMIC ON GLOBAL SUPPLY CHAINS AND ITS POTENTIAL OUTCOMES

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Abstract:

This study evaluates the potential effects of the COVID-19 pandemic on the world economy from the aspects of global production and supply chains. The pandemic has accelerated geographical diffusion, which, in turn, led to supply and demand shocks, decreased the predictability of risk, and made supply chain disruptions inevitable. Besides, these disruptions spread not only to firms, which operate interdependently along a global supply chain, but also to their industrial linkages and countries, where the related industries are mostly located. This study considers a range of disruptions emerging from the processes of global supply chains, such as production, transportation, and customs clearance; presents varying extents of disruptions in terms of specific articulation types of firms, industries, and countries into global production; and discusses in how possible measures might change the functioning of supply chain to overcome these disruptions.

Keywords: Pandemic, supply chain, and global production

JEL Codes: F19, F23, F60