

# Impact of Covid-19 on the Global Supply Chain

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***Abstract- Corona virus Covid-19 is a serious disease which the World is facing today. Covid-19 seriously affected many People all over the world in different areas and regions. On the other hand due to this Covid-19 Pandemic many businesses in the country had to be shutdown. All the IT/ITES, Automobile, FMCG Sectors had to be shut down which in turn impacted on the global supply chain.***

## I. INTRODUCTION

Supply Chain means the sequence or system of organizations or operations that work together to design, produce, and deliver a product or service to a market, extending from the extraction of raw materials to the distribution of finished products or services. Supply chain plays an important role in the Automobile, IT Sectors but due to Covid-19 Pandemic all the Automobile, Manufacturing and IT sectors had to be shut down which affected the supply chain globally. Reports on how the Covid-19 outbreak is affecting supply chain and disrupting manufacturing operations around the world are increasing daily. But the Impact of Covid-19 on global supply chain occurred in mid-March, forcing thousands of companies to throttle down or temporarily shut down assembly and manufacturing plants in U.S. Europe, India. The most vulnerable companies are those who heavily depend on companies or factories in china for Materials and parts.

## II. HOW CORONA VIRUS IMPACTED THE SUPPLY CHAIN OR BUSINESS

Covid-19 pandemic which the world is facing today started from china. As this Corona Virus came from china many Automobile companies or Manufacturing companies in India and other countries had to be shut down because as these companies heavily depend or rely upon the companies or factories in china for Materials and parts. As a result it had a great impact on the global supply chain. This affected the businesses too. Impacts of this disruption are being

already felt. Some companies are closing or slowing down their operations in China, at least temporarily, like General Motors, Toyota and Volkswagen. Effects are not limited to China though. Firms worldwide start feeling the broader effects. For instance, Hyundai was the first automotive firm outside of China to halt production due to components shortages.

## III. WHAT SUPPLY CHAIN ACTIONS SHOULD BE TAKEN IN RESPONSE TO COVID-19

In the current scenario, we see that a complete short-term response means tackling six sets of issues that require quick action across the end-to-end supply chain. These actions should be taken in parallel with steps to support the Work force.

There are multiple immediate, end-to-end supply chain actions to consider in response to Covid-19.

- Supply Chain Actions:
  1. Create Transparency on Multitier supply chain.
  - Determine critical components and Determine origin of supply.
  - Attend interruption risk and identify likely tier-2 and onward risk
  - Look to alternative sources if suppliers are in severely affected regions.
- 2. Estimate available inventory.
  - Estimate inventory along the value chain, including spare parts or Re-manufactured parts.
  - Use after-sales stock as a bridge to keep production running.
- 3. Optimize Production and Distribution capacity.
  - Asses impact on Operations and available resource capacity.
  - Ensure employee safety and clearly communicate with employees.

- Conduct scenario planning and asses impact on operation, based on available capacity.
  - Optimize limited production, According to Human-health impact, margin and opportunity cost.
4. Identify and secure Logistics capacity.
    - Estimate available Logistics capacity.
    - Accelerate custom clearance.
    - Change mode of Transport and pre book air/rail capacity.
  5. Asses realistic final-customer demand.
    - Work with sales and operations planning to get demand signal to determine required supply.
    - Leverage direct-to-consumer channels of communication.
  6. Manage cash and net working capital.
    - Run supply-chain stress tests vs major suppliers balance sheets to understand when supply issues will start to stress financial or liquidity issues.

#### CONCLUSION

So, Covid-19 the serious issue world is facing today has impacted the Supply Chain globally and businesses as well as people though. So in response to Covid-19 the above Supply Chain actions should be taken so that there will not be much impact on the Supply chain.

#### REFERENCES

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