COVID-19 and the new Reality

The COVID-19 outbreak is a major shock for the global economy. Many countries have already adopted or are adopting measures to increase the capacity of their health systems and provide relief to those citizens and sectors that are particularly impacted. The crisis, besides threats and risks, constitutes specific potential challenges for industries around people and commercial operations. The lockdown that almost all countries are currently experiencing, the several travel restrictions and the limitation in people’s movement, will severely affect some industries more than other.

Due to the pandemic outbreak, based on our estimations as shown in the graph below, 68.4% of the industries in Cyprus, such as construction, tourism, services and commerce, will be negatively impacted and 31.6% of the industries, such as education and health, will have a mild or no impact at all.

Since most of the companies are switching to remote connectivity, online ordering systems and work from home environments, the information and communication industry is estimated to have a positive outlook.

Millions of people around the world face losing jobs. In Cyprus, 69.6% of the labor force, as seen in the graph below, is working in industries negatively affected by the pandemic outbreak. If we estimate that a long term 25% or more decrease in companies overall turnover will affect these industries, this will also have a negative impact on their workforce. A possible increase in unemployment, except from the personal and social costs, will impose a heavy burden on the already suffering economy.
Making workable plans is the key to making things happen. It is time for careful, meticulous strategic planning, adjusting to the evolution of the pandemic. Immediate targeted measures must be taken in order to ensure survival and minimize as much as possible the negative effects on companies and people after the battle against coronavirus has been won.

Businesses must be kept in life and at the same time be ready and prepared after the crisis to move on to the next level, the new reality: a new global, economic and social reality. Development and Reforms are necessary for all industries. The new season will be very different. Nothing will ever be the same again.