Corona first, Globalisation last, Global warming past!

The year 2020 seemed to start like many new years in the past with the exception that the annual World Economic Forum in Davos celebrated 50 years and thus the self-proclaimed saviour of planet earth, Klaus Schwab, offered his think tank oasis in the Swiss mountains to two presumably totally opposite contenders US President Trump and environmentalist Greta Thunberg. Both performed as per the expectations. Trump glorified his American way of life and Greta blamed all the world leaders to jeopardise the youth’s future with their destructive lifestyle. Prof. Schwab used the opportunity to endorse Greta and demanded drastic measures before it is too late. This time the elephant in the room was not China. In hindsight, it could have been the rat in the room.

Just a month later the world looks totally different. Neither in Davos nor in the next brainstorming session of the risk predictors of the globe, the ‘Munich Security Conference’, nobody foresaw what would bring the world to a standstill just a few weeks later and it would not be a war or a natural catastrophe. The crown of unforecast Corona. And all the makers and shakers of recent world politics seem to have their advantage.

Disruption king Trump who within his first term as US President wanted to make America great and China small again and shut Iran? In spite of sanctions and special tariffs, the American trade deficit did not really change. But now with the movement in and out of China virtually at a standstill, the year 2020 will see totally different numbers. Whether the American consumer will like all the more expensive “not Made in China” products has to be seen.

China might be the winner. The regime was under tremendous pressure internally and externally with the democratization movement. The world was looking at Hong Kong and parts of China itself. Now China and Hong Kong are under quarantine. The Chinese Government uses the situation as a gift from God. Not only that they argue the virus came from the outside and that their political and administrative system is best equipped to handle it successfully, they even got the acknowledgement of WHO. With the help of life-essential mobile phones, they implemented the total control of their people. Even the annual National People’s Congress has been postponed without any objection so that the slightest criticism of the ruling regime has been curtailed. A book is said to be in print to glorify the outstanding handling of the situation by President Xi himself. And some experts speculate that it is all a revenge by the Chinese on the US and the rest of the world for challenging them. Now they show how dependent we are from them. They can easily manage their extended Chinese New Year break. But when the world stock market crashes and oil prices tumble all but China have a problem. When China has the flu the world gets pneumonia they say. Now China has pneumonia and the world is collapsing.

And ‘Fridays for Future’ activist Greta Thunberg wants to stop flying and as a good example does not fly herself. She wants the adults to totally change their lifestyle from growth and consumption to environment protection and sustainability. Hundred-thousands of flights have been cancelled and many more to come. As per IATA a loss way beyond US$ 100 billion. And the air in China is much better already.

The panicky reaction by the whole world shows that angst is a strange adviser. Every year in Germany and Italy alone some 20,000 people are dying from normal influenza. So far in Germany, only a few elderly people have died from the Coronavirus. On the other hand last year in Germany 3,054 people died in traffic accidents, in China officially some 58,000 and in India 1,49,000. Going by the same standards one would have to forbid road traffic immediately. Much too dangerous.

All serious scientists keep saying there is no reason to panic and with just some basic behaviour like washing or sanitizing hands, not sneezing openly and watching one’s temperature, the spreading can be easily contained. With the Namaste in India, we actually have the ultimate non-transfer system. But like in the case of global warming, nobody listens to the experts. The real issue seems to be that our hospitals are not equipped to handle a sudden increase in emergency cases even if the numbers are small. With a few 1000 extra cases the system collapses. Still one has to ask how did we manage the influenza epidemic in the previous years. Why was there no collapse then?

But the crises should have some benefits as well. Finally, especially German companies realize that putting all their eggs in one basket can be a risky strategy. The whole system of supply chains and sourcing has to be looked at. And here India, actually could and should be the beneficiary. Yes, China is important but China alone is dangerous as we see now. India is the natural second choice. And India will benefit in two more ways. The huge trade surplus of China will vanish and with the oil price crashing another burden for the budget goes.

Suddenly everybody looks at the way we communicate and interact. Video conferencing will be much more common than in the past; flying around the globe and within the continents or even countries will be in question. Lufthansa wants to cut its flights by 50%! The way we are doing business will be reinvented. Not only supply chains but also marketing, distribution and sales will be different.

For Germany, as the world champion in trade fairs, the situation is a major challenge. Over centuries, the annual get together of people from all over the world to show the latest innovation, exchange views, interact and to do business where there is a personal feel and touch is irreplaceable. Now with the fear of a virus all this great tradition and German success is at stake. The US as the largest economy still does not have important trade fairs and whether a pop and start-up festival like South by Southwest happens or not, does not make a significant difference. But when ITB, the world’s largest tourism fair or Hannover Messe, the world’s largest industrial fair are cancelled or postponed we are talking not only of a billion Euro loss in turnover but a severe disruption in the way we are doing business.

Will we go from people-to-people life, to e-life, or people-to-machine life to ensure no virus spreads? Instead of globalisation, regionalisation or nationalisation? Digitalisation all over?

Our education and learning might change. All over the world schools and universities are closed. So home and distance learning is the need of the hour. Travelling as such is in question. Who will go on a cruise when one does not know if one gets an unplanned extension in quarantine? So will be staying at home, working at home, learning at home be the new normal? Time will tell. Never take anything for granted, think out of the box and never miss a good crisis.

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Indo-German Economy 1 | 2020