

Coronavirus Outbreak and its Impacts on Global Economy: The Role of Social Network Sites

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Abstract

Because of Wuhan 2019 Novel Coronavirus (COVID-19) outbreak around the world, global trade and supply chains have been interrupted by the uncertainties of this unexpected event. In this situation, customers and businesses need to make the right decisions at the right time. Social networking sites have become important for information sharing and online business effectiveness and played important roles in this unexpected event for the customers and businesses to make the right decisions with limited information. They can be a good choice to share information in real-time as they are recognized as a significant tool for public health and economic development. This work highlights the impact of the Coronavirus outbreak on the global economy and the role of social network sites in sharing the customers' and businesses' information and concerns about the Coronavirus outbreak. The paper concludes with some examples of travelers' concerns along with their feedback on social networking sites and recommendations for future works.

Keywords: Coronavirus outbreak, Information sharing, Global economy, Social media, COVID-19

1. Introduction

The novel Coronavirus appeared in Wuhan, China, at the end of 2019 (Huang et al., 2020; Wu et al., 2020). As of February 29, 2020, about 85,678 cases have been identified in sixty countries and territories. At the start of an outbreak such as this, readily accessible information is significant to start the assessment necessary to understand the risks and begin outbreak containment activities (Heymann, 2020). While several facts of the development of this virus remain unidentified, an increasing number of cases seem to have been caused by human-to-human transmission (Munster, Koopmans, van Doremalen, van Riel, & de Wit, 2020). Infectious diseases outbreak may have a big effect on society as they can harmfully affect illness and death.

Today the undesirable effects of this deadly illness on the global economy have progressively developed. The virus is predictable to play a conclusive role in shifting China's GDP as the outbreak continues and has caused limitations on traveling, a decline in foreign travel as well as stoppage and decline in economic activity especially in some parts of China. This has hurt the global economy especially the economies of the Far East. The sufferers of the Coronavirus to the global economy have increasingly become apparent, and several large companies and governments have started to respond to the economic effects of this deadly virus.

These days there is news through social media platforms and the internet about how the Coronavirus outbreak is disturbing supply chains, manufacturing, and services around the globe. There is an increasing interest from scholars and industries from January 2020 onwards, which is also visualized in the Google trends for Coronavirus outbreak and related keywords (see Fig. 1).

The most affected businesses are those that depend on companies in China for parts and supplies. The operation of Chinese manufacturing companies has been dropped since last month and it has been anticipated to continue miserable for months. Indeed, a recent disruption in China's economy would lead to impact global supply chains as a failure in its production and supply. An important portion of big companies' products is produced in China's manufacturing companies. Hence, some big companies may think about transferring parts of their supply chains outside China.

Some service companies like airlines have also canceled their international flight schedules, especially in the Far East, due to dropping travelers' demand because of concern over the Coronavirus outbreak. Furthermore, capital markets have unexpectedly been terrified by the outbreak of the Coronavirus in China and the possibility of it becoming a widespread global disease and a pandemic. Today, stocks of public companies in stock markets around the world have been down since the beginning of the week.

It is estimated that in the last four days alone, \$3 trillion of corporate stocks have declined. However, what exactly does the global economy fear from Coronavirus? And what are the economic impacts of the Coronavirus outbreak in the short and long term? While the economic outcomes of

infection outbreaks may be recognized, however, little would be recognized about how this outbreak impact unaffected areas (Kostova et al., 2019) and the global economy.

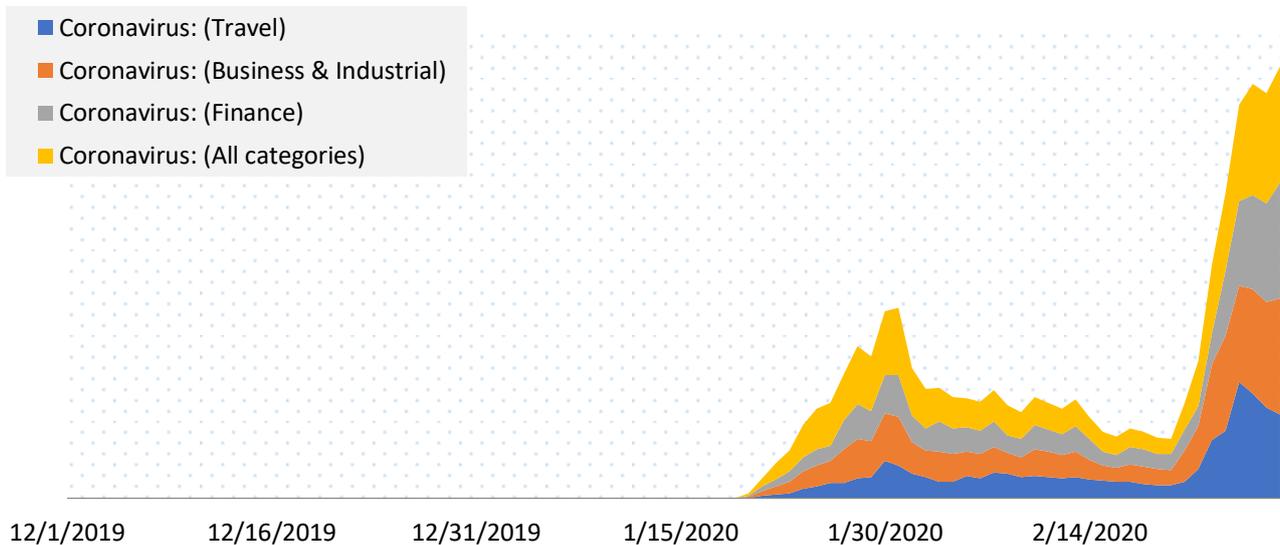


Fig. 1. Google Trends for Coronavirus related keywords

The outbreak of Coronavirus can be named an economic crisis since it could have a terrible effect on the global economy like the previous SARS outbreak (Keogh-Brown & Smith, 2008; Nghiem et al., 2013). The impact of a communicable illness outbreak is usually unclear when the outbreak is new and the degree of transmission and infection is not easily measurable (Beutels et al., 2009; Keogh-Brown, Wren-Lewis, Edmunds, Beutels, & Smith, 2010). Regardless of considerable research efforts, how, when, and where new infections appear are not obvious yet (Wu et al., 2020). As the coronavirus outbreak spreads all over the world, travel bans are implemented, flights are grounded, general demand falls, and the travel industry is experiencing a drastic freeze. In the case of Malaysian tourism, while the full impact of the recent Coronavirus outbreak on the tourism industry in Malaysia has yet to be seen, history provides some insights as the country had previously faced a somewhat similar situation. In 2003, after the outbreak of another Coronavirus-Severe Acute Respiratory Syndrome (SARS)-Malaysia imposed a week-long travel ban on travelers from mainland China, Hong Kong, Taiwan, and Vietnam among others. Tourist arrivals were down 10.6 million in 2003 compared with 13.3 million in 2002. Besides, in April 2003, tourist arrivals decreased from a million to 500,000. Hence, tourism 2020 could similarly suffer from an unexpected decline in travel even though the new Coronavirus and SARS are not similar. In the case of Malaysia, the tourist arrivals target of the Government is 30 million (2018: 25.8 million), with 3.2 million expected arrivals from China. Currently, information is the foundation for public health and tourism accomplishment, and quick information sharing is serious through a public health emergency (Ali Ahani, Nilashi, & Ahmadi, 2016; Ali Ahani et al., 2019; Dye, Bartolomeos,

Moorthy, & Kieny, 2016) like the current Coronavirus outbreak. Hence, this is important that all countries listen to reliable sources like World Health Organization (WHO) about all events that may found a public health emergency to respond quickly to any unexpected change in global public health (Suthar, Allen, Cifuentes, Dye, & Nagata, 2018; Verelst, Willem, & Beutels, 2016).

Social media platforms can be a good choice to share information in real-time as it was recognized as a significant tool for public health and economic development (Ali Ahani, Rahim, & Nilashi, 2017a; Giustini, Ali, Fraser, & Boulos, 2018). As two examples, the Big 7 Travel Team and TripAdvisor forums provide real-time information on the novel Coronavirus and Coronavirus travel news tips. The key findings of the Coronavirus Travel Survey by Big 7 Travel are that (1) 72% of people are more concerned about traveling during the coronavirus outbreak (2) 7 in 10 people say they believe travel bans are effective at preventing the spread of the virus (3) Asia is the region most people (91.7%) will avoid, followed by Europe and the Middle East (4) 4 in 10 people say they are 'very to extremely' concerned about the coronavirus in general (5) 42% of people have or are considering canceling international travel plans (6) a majority would not book a flight (57%) or cruise (81%) in the next 6-12 weeks. Asia is the region most travelers will avoid and (7) a large majority of respondents say they think travel bans are an effective measure. Their research also showed that if travelers must fly they should take extra precautions. These include additional hand hygiene, face mask, and 'social space' such as booking a full seat row. Travelers also said at the time of their booking they would be more likely to add the cancellation option. The impact on tourist attractions will be felt like the tourism market

continues to drop. Note that the data collection was done from 1,170 travelers who completed an online global survey on 26 and 27 February.

TripAdvisor.com is the platform for travelers who help them gather travel information, post reviews and opinions about travel content, and engage in social travel forums (Ali Ahani et al., 2019; Nilashi, Ahani, et al., 2019; Nilashi et al., 2018; Nilashi, Mardani, et al., 2019; Nilashi, Yadegaridehkordi, et al., 2019). In TripAdvisor, travelers and hotel managers can also provide useful information regarding the situation of a specific location for traveling. This social networking site has provided forums for travelers to reveal the concerns over the Coronavirus outbreak and share the Coronavirus travel news tips. In the following, we provide just two examples of travelers' concerns over the Coronavirus outbreak which are provided by travelers.

Case 1 - Singapore forums: *Hi, me and a group of friends were planning to go to Singapore in a couple of days and wondering if we should cancel. With the recent news about 7 other people becoming infected with no travel history to China, we are worried about going to Singapore.*

Reply 1: *If you have read the other 7 or 8 virus questions on this forum, read official Travel Advisories, contacted your Travel Insurance company, spoken to your own Doctor, contacted your airline then you should have enough information to help you decide what is best for you.*

Reply 2: *Hi Alison. I am in similar situation and I am also worried. Not worries about the virus itself but worried that attractions will be closed down, hawkers centres not recommended. I worry that we will go to quarantine if anyone has a slight temperature on the flight. I mostly worry that I have to fight my insurance company to pay out.*

Case 2 - Chiang Mai forums: *We are booked to travel from February 15-23rd to Bangkok and then to Chiang Mai. Is it safe to travel with the spread of Coronavirus?*

Reply 1: *Currently in Chiang mai. Also traveling this week just to Phuket. Wear masks and wash hands and don't touch things. There's fear here but not as much outside out tourist areas. Have been avoiding popular places and the Chinese as much as possible. New travel bans will hopefully help contain this.*

Reply 2: *I'm writing this from a restaurant in Chiang Mai having spent a few days here and two weeks in Bangkok working at a university there on psychological impact of the virus. While it's wrong to completely discard the risks probably the best protection is regular hand washing and not spending too long in crowded places. Most the places here are not now crowded. There is still a lot of debate about the effectiveness of mask wearing particularly as we don't know the size of particles etc with this new virus so don't worry too if you can't get masks (and there are some here, even if they are a bit expensive!)*

Reply 3: *We have spent the last 5 days in Chiang Mai. Less than 1/4 people wearing masks and if you practice good hygiene particularly hand washing you probably will be fine. I carried Wet Wipes around and wore a mask at times in crowded vans only because I have a compromised immune system. Otherwise, we did not feel like we were in "danger". We went on a Street Food Tour, ate at restaurants, visited Wats, and went to a fantastic elephant sanctuary which was amazing. You need to live your life.*

2. Conclusion

During natural disasters, unexpected events, or emergencies, an essential requirement for effective and right decision making and emergency management is information sharing (Carminati, Ferrari, & Guglielmi, 2013). According to WHO, reachable knowledge is an important primary phase in the conversion of knowledge from scholars to managers, policymakers, and other

stakeholders (Dye, Reeder, & Terry, 2013). As social media platforms have become a vital part of today's people's life (A Ahani, Nilashi, & Ibrahim, 2019; Ali Ahani, Rahim, & Nilashi, 2017b) a reliable collaborative platform for information sharing may be beneficial for managing the impact of unexpected events like Coronavirus outbreak on the global economy. Social networking sites provide forums to collect a huge amount of data that are useful for awareness of customers and businesses on the current situation for their right decision making at the right time. Accordingly, it is suggested the use of big data analytic tools to perform analysis on this type of social big data to help the customers and businesses for better decision making in an unexpected event like Coronavirus outbreak.

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