

# Report on Supply Chain Compliance Volume 3, Number 5. March 05, 2020

## Coronavirus having an unprecedented effect on global supply chains

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The coronavirus is now on every continent except for Antarctica, and there is still no cure for nor vaccine against the virus. The disruption the virus is causing and will continue to cause to the global supply chain has no precedent. In a commentary piece for *The Wall Street Journal*, [Yossi Sheffi](#), director of the Massachusetts Institute of Technology's Center for Transportation and Logistics, suggests the coronavirus is having a bigger effect on the global supply chain than the outbreak of the severe acute respiratory syndrome of 2003, the Fukushima nuclear disaster of 2011, and the floods that ravaged Thailand in 2011. Pessimists, he writes, compare the coronavirus to the 1918 Spanish flu pandemic and the aftermath of the 2008 financial crisis, while optimists declare the coronavirus to be nothing more than a serious flu outbreak.<sup>[1]</sup>

Sheffi describes the so-called [supply chain bullwhip effect](#),<sup>[2]</sup> and then lists five steps companies can take to address the risks the coronavirus outbreak poses and mitigate them as best as possible:

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