

How Supply Chains Will Be Impacted Long-Term By The Coronavirus, According To Maxwell Arias

Even Though States are Opening Back Up, Supply Chains Will Continue to Be Impacted, Says Maxwell Arias

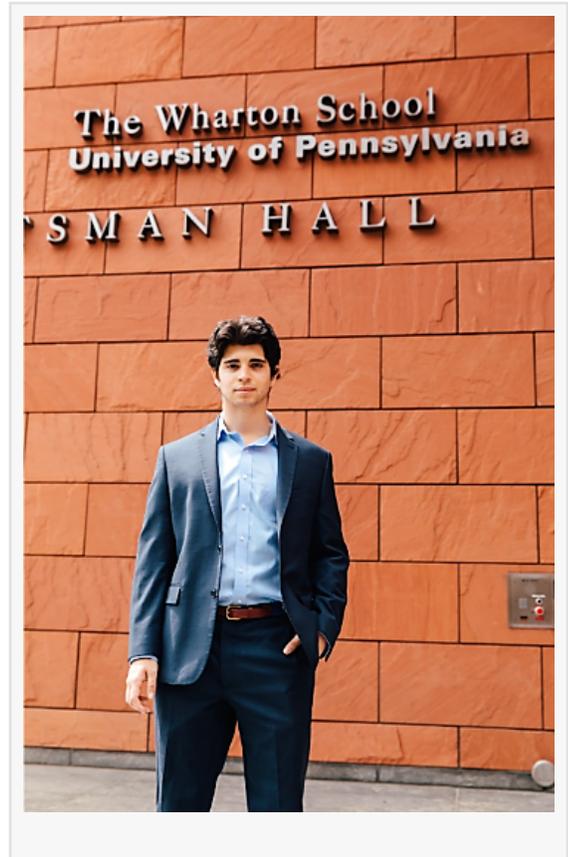
PHILADELPHIA, PA, UNITED STATES, June 27, 2020 /EINPresswire.com/ -- All across the United States, states are starting to open their economy again. COVID-19 is still prevalent, it states feel as though they have no option but to open. Safety precautions are in place, yet supply chains will continue to be impacted long-term. Max Arias of Wharton School has been a teacher's assistant within the finance department and explains why the supply chain will continue to be damaged.

[Maxwell Arias believes](#) that many companies will see a significant disruption within the global economy as well as the supply chains, particularly those conducting business in China. He believes that many of the "essential" industries will see their supply chains move into a protectionist model over the next two years. Such industries include those that provide medical devices, active ingredients in pharmaceuticals, and more.

Many studies suggest that governments may start to offer financial incentives to improve cost structures so that supply chains remain local. With having to rely less on China over the past several months, supply chains have been significantly impacted. Although many US-based companies are starting to produce locally, they cannot keep up with the demand as of yet.

[Maxwell Arias suggests](#) that there may be greater pressure on some of the large tech companies, such as Apple, to switch to a "make where you sell" model. This would mean they would need to start manufacturing in the United States.

There is the belief that the Chinese communist government covered up the virus for several months prior to when it was released into the press. As such, there is already a significant



amount of tension and increased skepticism. Many companies don't want to go back to their traditional supply chains. As such, Maxwell Arias explains that this will lead to separate themselves from China. With so many supply chains starting in China, it will disrupt everything. It will cause many companies to look at US-based companies as well as other companies outside of communist China.

Unfortunately, many US factories cannot start producing immediately. It can take time to get the necessary supplies, templates, and more. Additionally, many factories are still struggling because of not having enough staff to the virus.

This is [where Maxwell Arias](#) warns that it could take a significant amount of time before supply chains start to level out again. It could take months or even years for some companies to get all of the supplies that they need in order to make a full switch to the "make where you sell" model.

Maxwell Arias continues his studies in finance and believes that financial literacy is critical to understanding behavioral economics. The pandemic has helped to identify problems within the supply chain and may be what the United States needs to strengthen its economy.

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