

# THE IMPACT OF COVID-19 ON E-COMMERCE: A STUDY OF SUPPLY CHAIN NETWORK AND CARGO TRANSPORTATION

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**Abstract** – The emergence and spread of the COVID-19 pandemic has accelerated digital transformations. E-commerce has been one of the areas that has received the most attention and demand during the pandemic. As quarantines become the new normal, businesses and consumers are increasingly digitized, offering and buying more goods and services online. Despite the persistent differences between countries, the pandemic has increased dynamism in the e-commerce environment between countries and expanded the scope of e-commerce, including new firms, consumer segments and products. In many countries, e-commerce transactions have shifted from luxury goods and services to daily needs that concern a large number of individuals. This has led to the share of e-commerce in global retail trade rising from 14% in 2019 to about 19% in 2020. Such a trend of e-commerce will undoubtedly lead to significant changes in the supply chain network, and especially in cargo transportation. Therefore, this study will examine the effects of the covid-19 pandemic on e-commerce, supply chain network and cargo transportation. These effects will be analyzed using secondary data published by international organizations and future inferences will be made.

**Keywords** – COVID-19, e-commerce, supply chain network, transportation

## INTRODUCTION

The COVID-19 pandemic has dominated global economic development throughout 2020. Movement restrictions and other interventions to protect public health have reduced economic activity in many sectors and countries, affecting production, distribution and consumption. The global economy shrank and there were serious decreases in global goods trade. The pandemic and its associated economic downturns came at a time of changing economic conditions and increasing economic challenges. Uncertainties regarding future trade relations among major economies came to the fore. Significant strains have also erupted in the global supply chain due to the worldwide disruption of commercial operations. There was a gradual effect spreading to various sectors (buyers, distributors, suppliers) in the supply chain and the workflow of manufacturers and logistics departments had to be stopped.

The pandemic has caused a sharp slowdown in economic activity for which economies are largely unprepared. One of the phenomena affecting the supply chain in this process is e-commerce. The COVID-19 pandemic has accelerated digital transformations in the world. Digital solutions are increasingly needed to maintain some economic and social activities remotely during the restrictions imposed by the pandemic. Teleconferencing is critical to keeping social bonds alive in times of restriction on telework and online education. The accelerating trend towards e-commerce seen during the pandemic seems likely to continue during the recovery. The acceleration of the trend towards e-commerce has also affected cargo transportation and operations. With the increasing momentum, cargo demand has increased, and a period of intense work and transformation has been entered to meet the increasing demand.

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