

Spreading Global Virus Creates Economic Problems

Cases of the new coronavirus have spread beyond its start in China. There are now more new cases outside China than inside the country. The fast-spreading virus has touched every continent except Antarctica.

Health officials have reported many cases in South Korea, Iran, and Italy. That means the virus is sure to spread across the Middle East, Asia, and Europe. North and South America have reported cases, too.

It has become a global public health crisis.

But it has also become a global economic problem.

Supply Chain Slows Down

Factories have shut down. Trade between some nations has slowed or stopped. Fewer people are traveling, so tourism has almost stopped. Airlines and cruise ships have lost a lot of money.

The Summer Olympics in Tokyo, Japan, are still more than four months away. But some people wonder if the event will be canceled.

China remains the biggest worry for businesses around the world. That is because so many products and supplies are made there. Factories have been closed for weeks to keep the virus from spreading.

Those factories make medical equipment. They make chemicals for lifesaving drugs. They make toy parts.

Even when factories reopen, they may have trouble getting supplies. Those include things such as steel, wood, and plastic. There may not be enough truckers and open ports to ship the products.

MGA Entertainment is a California company. It sells popular toys such as L.O.L. Surprise! dolls and Little Tikes cars. Some of its Chinese factories are starting to open. But they are having trouble getting supplies. Those include everything from toy wheels to doll hair.

Isaac Larian leads MGA. "In 41 years in the toy business, this is the worst disaster I've seen," he said.

Some Companies Benefit

Still, some businesses are doing well. They are betting that people will want to stay home and stay clean.

Stocks in Clorox are near an all-time high in value. Clorox makes bleach, wipes, and other products that kill germs.

Stocks in Zoom Video Communications have gone far up as travel has gone down.

Their products let people meet online rather than in person. And vaccine makers have seen their stock value go up, too. The world wants them to make something to stop the virus.

Virus Terms

Coronavirus is a term for a group of viruses. The group includes the common cold and more serious illnesses like SARS and MERS.

The new virus that is in the news is called SARS-coV-2. The name for the disease that it causes is COVID-19.