

The Impact of World Pandemics on Businesses Operating in International Markets

Ronen Harel*

Department of Business Administration, Peres Academic Center, Rehovot, Israel

Description

The Global Health Crisis (GHC) caused by the coronavirus (COVID-19), caught the world unawares and unprepared [1]. COVID-19, which was declared a global pandemic by the World Health Organization (WHO) [2], has infected more than 200 million people and caused more than 4 million deaths as of August 2021 as per European Centre for Disease Prevention and Control (ECDC) [3]. The efforts of governments around the globe to reduce the transmission of the disease led to a lockdown of communities and business closures [4], resulting in significant damage to a large portion of business activities. Considering COVID-19's far-reaching impact on all areas of life including on the economy, it was relevant to investigate the pandemic's effect on businesses operating in international markets. Without ignoring its adverse economic impact on a large portion of businesses, especially those that serve the end-consumer through face-to-face interaction, which were negatively affected due to the restrictions imposed by the authorities, we can see that businesses operating in international markets were less affected by the pandemic.

We are pointing to a relationship between revenue from export sales and the extent of the adjustments made to business activity during the pandemic period. Businesses active in the international markets, whose revenue from export sales is relatively high, succeeded in making changes to their business activity, and adjusting their activity to the changes underway and to the varying requirements of customers around the world, in accordance with the trade restrictions instituted by different countries. The explanation for this may be found in previous studies which demonstrate that operating in international markets greatly contributes to business innovation and growth. The broader the range of foreign markets and cultures in which a business is active, the greater its exposure to knowledge sources, and to new and varied ideas that facilitate developing capabilities and faster learning processes for innovation and advancement of business opportunities [5-7].

Businesses that operate in international markets show greater flexibility, which makes them better able to cope with change than businesses active solely in the local market [5,7]. These businesses managed to adapt their business activity to developments on the ground. In addition, because the pandemic began at different times in different countries, with differing levels of impact around the world, it helped these businesses to adjust to the myriad trade restrictions imposed by different countries at different times and

to adapt their activity to developments on the ground and to the changing requirements. The ability of certain businesses to employ advanced digital communication tools such as Zoom also contributed to keeping active in the international market, as it proved possible to continue to manage a major part of their business relations through remote communication without the need to travel and conduct face-to-face meetings with business partners and customers.

We highlight the importance of operating in international markets and especially in countries that are geographically isolated, relatively speaking, with a small and limited local market. International activities contribute to the promotion of business innovation and enable companies to cope better in crisis and uncertainty.

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How to cite this article: Harel, Ronen. "The Impact of World Pandemics on Businesses Operating in International Markets." *Bus Econ J* 12 (2021): 369.

*Address for Correspondence: Ronen Harel, Department of Business Administration, Peres Academic Center, Rehovot, Israel; Tel: +972-544-636363; E-mail: Roni.harel2@gmail.com

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Received date: October 08, 2021; **Accepted date:** October 22, 2021; **Published date:** October 29, 2021