

# 8 FACTORS THAT COULD CHANGE ECONOMIES AND MARKETS FOREVER

## THE COVID-19 CRISIS

has challenged individuals, families, companies, governments and investment markets around the world. It's an experience that could fundamentally reshape consumer and corporate behavior, as well as financial markets.



# 1

## PEAK GLOBALIZATION

Companies will start to think more about where stuff comes from — both in terms of consumption and supply chains. They will question over-reliance on certain countries. Diversification of manufacturing could mean changes in manufacturers' capital spending.



## CASH TO CARD ACCELERATES

The use of credit cards could grow as people are forced to shift from offline to online shopping and as many physical stores no longer accept cash for hygiene purposes.

# 2

# 3

## HEALTH AND HYGIENE

Rules and regulations will step up, particularly in China where pressure will grow to regulate its food industry given the source of the virus outbreaks. We're also likely to see more telehealth, including mental health coaching and video-based medical consultations. Issues like antibiotic resistance and other global health challenges could get more attention now that the world understands the economic impact of health crises.



## WORKING FROM HOME BECOMES MORE ACCEPTED

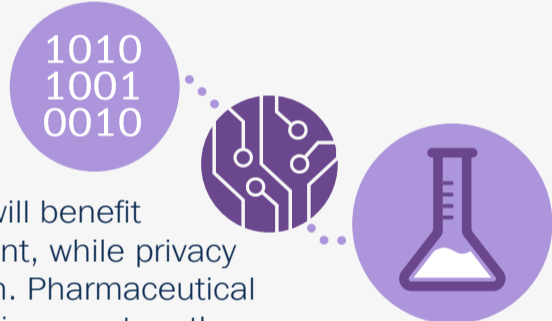
Companies are now forced to enable working from home, and it could become a more acceptable way of working. This has implications for computer equipment and cloud computing investment, as well as commercial real estate and travel, as companies evaluate their need for office space and business trips.

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# 5

## PERCEPTIONS THAT TECH AND PHARMA ARE SHIFTING

We've all relied heavily on technology platforms, including social media, during the isolation period. In the longer term, tech firms will benefit from stronger user growth and rising engagement, while privacy concerns and government attacks may diminish. Pharmaceutical companies may also see a less adversarial environment as they work to develop drugs and therapies to address COVID-19.



## ONLINE CONSUMPTION GROWS

Online consumption is rising, especially for groceries, education and broader retail. What started out of necessity for many may perhaps become the norm. This is likely to accelerate certain trends already in occurring within retail (e.g., fewer physical locations) and online grocery delivery (which was already growing 100% year-over-year for some retailers)\*. The set of online experiences is also likely to grow — many gyms are switching to streaming exercise classes, and many schools and universities have shifted to online courses. It's possible that these changes could become permanent.

\* Source: Columbia Threadneedle Investments, as of 03/31/20

# 6

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## RISE OF THE GREEN AGENDA

Countries are now seeing the benefits of cleaner air and waterways, and they may try to find ways to maintain these positive changes post-outbreak. Boosted by fiscal stimulus, we might see a greater push for the green agenda and rising investment in things like renewable energy and electric vehicle infrastructure.



## THE RISE OF MORAL CAPITALISM

Companies may have a fundamental reset and look more toward their purpose like their impact on the environment, their customers, community, employees and the supply chain. Corporate scrutiny may also accelerate in a post-COVID-19 world.

# 8

POST-COVID-19

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