



INTERVIEW WITH ABRAHAM TAO, MANAGING DIRECTOR MBS CHINA

Current news reports indicate that the spread of the coronavirus in China is largely under control and that the accompanying social and economic standstill has been overcome in most provinces. While the virus flu was still claiming its victims there every day in February, people here are slowly returning to their everyday lives. The Chinese government is now even ready to send relief supplies such as respirators, respirators, protective clothing and corona test equipment halfway around the world to help other countries.

We took the opportunity to ask Abraham Tao, Managing Director of MBS China, in Shanghai about the current situation in China:

Mr Tao, how did you deal with the situation around the corona virus and what did you learn from it?

A. Tao: There are two things I have learned from this COVID 19 crisis: One is caution. During the virus outbreak, everyone has to be careful and self-disciplined to protect themselves and also their family and work colleagues. The other thing is to stay positive and proactive, because this virus crisis is likely to change our lives dramatically. The-

re has been no time for us to complain or hesitate. When we learned that the Chinese New Year holiday would be extended by three more days, we immediately held a management meeting to immediately initiate internal measures to minimize the negative impact on our operations in China. This included the introduction of a strict work plan for our offices in China throughout the isolation period. Most of the staff then worked from home and only a few employees whose tasks could not be performed in the home office were allowed to work at their usual workplace. One of the rules was that employees in different shifts were not allowed to meet together.

Do you have an explanation for the fact that China got the virus under control relatively quickly?

A. Tao: First of all, I had to say that the government has taken a very decisive measure to close all events and tourist attractions and to minimize the movement of people within China. Secondly, most Chinese people were really cooperative and self-disciplined. We always wore masks when we went to the supermarket; most people did not visit each other during this time. So it really

works, the situation was under control in a relatively short time.

What have you done at your location to best cushion the economic impact and long-term consequences of this crisis?

A. Tao: To be honest, nobody can say that he/she is ready to handle this crisis. Because the situation we are in is beyond any experience we have ever had. Some experts have already said that this could lead to an economic depression. For most companies there is no cushion to bridge a period of time. If the crisis lasts three to six months, it will affect the entire economy and most companies will suffer. On the other hand, this crisis will also bring about a big change in the world. During the crisis we have already reacted to the change: We sourced the protective equipment for our employees, customers and partners in China from abroad. In this context, MBS China handled several medical supplies to the hospitals in Hubei province. So we ourselves were quite busy in February and early March. When we talk about the long-term consequences of the crisis, there is a high probability that the economic consequences will affect us all. It is a difficult challenge for all logi-

stics companies. Since last year, we have started some experimental projects on cross-border and digital trade. After this crisis we will focus more on this sector in the hope that the development in this sector will bring more logistics business. In this way, we could possibly compensate for the decline in traditional trade.

How do you assess the current situation in China and with which services can MBS China currently support global supply chains?

A. Tao: Currently the whole supply chain is being affected. A month ago we were sourcing products for our overseas partners, so we have also created more transportation business opportunities for us. We are currently looking for overseas products to be sold in China to support China's economic recovery, which will also benefit our transportation business. In short, we need to actively generate business opportunities and not just wait for the economic recovery.

Are there any new approaches in terms of providing sufficient masks, medicines and relief supplies?

A. Tao: Yes, due to this crisis, many Chinese companies switched their production to masks and other PPE products because they did not receive orders for their original products. China has thus developed as a production center in the world and we, as a logistics company, are an important part of the entire supply chain. We are also actively involved in sourcing PPE products for our overseas partners. I believe that China is capable of supplying enough medicines and relief supplies to other countries. Of course, the Chinese government has also stressed the importance of product quality. Customs currently monitor all exporting PPE products very strictly to ensure that these products meet the quality requirements of the country of destination. We hope that we can work closely with other countries to overcome the current difficulties we all face.



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