

COVID VS IT-INDUSTRY

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Annotation. The article deals with the impact of the pandemic on various sectors of the world economy with a detailed examination of the IT-sphere. It is also illustrated how the majority of Belarusian IT companies were able to adapt to brand new reality full of restrictions.

Keywords. IT-sphere, pandemic influence, economy, lockdown, COVID-19.

American Merriam-Webster dictionary chose the word «pandemic» to be the word of the year 2020 [1]. As we know COVID-19 pandemic has created unprecedented problems for humanity and represents a disproportionate threat to health, life, rights and well-being of society. The impact of the pandemic has spread far beyond medical sphere, it has affected the foundations of the way people around the world live their lives. The spread of infection has threatened the existence of the world economy itself by immersing it into the state of stagnation. In social media, the phenomenon of disease's influence on people's life and its consequences is increasingly called "coronacrisis".

To counter the pandemic, countries all over the world are taking various measures. The economies of those ones, where a total lockdown has been introduced, are especially affected. Industries such as catering, entertainment, hotel business, tourism and international passenger transport have been literally paralyzed when the pandemic broke out. Major automakers such as Volkswagen and BMW have been forced to reduce production significantly or halt it [2]. This happened, on the one hand, due to the desire to protect their employees from the coronavirus spread. On the other hand, production levels decreased due to a sharp drop in demand. Therefore, all the IT-projects in these segments were paused and some companies even went bankrupt. The structure of enterprises' functioning is presented (Diagram 1). According to it, the majority of companies faced some obstacles while trying to get used to up-to-date circumstances. There is a small subset of companies, which had to stop their activity due to unbearable expenses and restrictions.

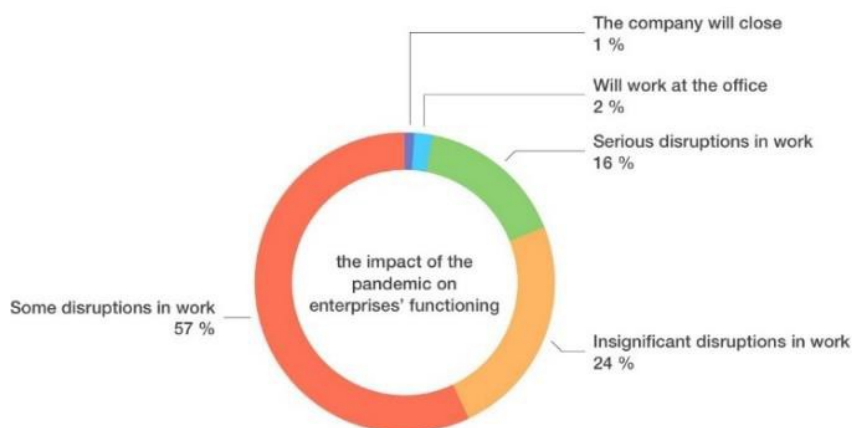


Diagram 1 – The impact of the pandemic on enterprises' functioning [3].

But not all segments of the economy have been negatively impacted by COVID-19. As for telecommunications sector, online education sphere and gaming industry, social networking sites, coronavirus catalyzed further development. Thus, the number of Uchi.ru users has increased by about six times during the quarantine period. More than one million new students came to Foxford for the first week of lockdown, and Yandex.Workshop demand rose by 30-50%. At Pearson, a leading international educational company, online user engagement increased by 400%. Probably everyone has already heard about Twitter's decision: the company announced that its employees might continue to work remotely if they want. Zoom observed a 354% increase in corporate users of video conferencing service. There is also

a noticeable rise in the number of customers who entertain themselves with the help of such streaming services as Netflix. The increase in its US service users was 27.4% [4].

IT sector is also one of a few segments of economy that did not feel all the "charms" of the coronavirus restrictions in full force. This is due to the fact that it was easier for them to organize a remote form of work for employees. Let's figure out how the pandemic affected the largest Belarusian IT companies. According to Viber, currently 35% of Belarusians are using the messenger for communication and calls. During the pandemic, the number of new Viber users rose by almost 18%. Immediately, the limit of group call participants was increased from 5 to 20 people. As a result, the number of audio calls grew by 375%. Undoubtedly, every pandemic will be over one day and demand for some services will fall. For that reason, the number of messenger users may decrease and to avoid this it will be necessary for a company to work out and implement new features [5].

The largest Belarusian company in gaming industry is Wargaming. It has also managed to get through this situation without financial problems. During total lockdown people began to play computer games more actively and it brought a big profit to the company. Games that are monetized on real payments increased the number of people ready to pay for such kind of entertainment. As a result the amount of their payments rose considerably. Therefore, developers are ready now to promote complex projects and gain income for their work. Recently, the company has donated 10 million dollars and 700,000 masks for fighting the pandemic. That's more than Huawei and Samsung have donated together for the same aims. What concerns the player involvement, it grew by 10 - 30% in general [6, 7].

EPAM, one of the biggest IT-companies in Belarus, planned to permit 1,000 employees not to perform their duties in offices before the coronavirus crisis. But even back then it was a rather complicated task. Now 37 thousand of its employees work from home. As the founder of the company said, this delivery model may stay permanent in EPAM. This form of functioning has shown its viability as people don't have to spend much time to get to their workplace (this saves time, effort and money) and have an opportunity to work in their own pace. So EPAM plans to leave 30% of its employees working remotely in future. Despite the fact that the year was difficult the company gained revenue and earned \$2.66 billion last year. Compared to 2019, the company's profit grew by 16% [8].

Therefore, we see how IT companies were the first to take measures to protect their employees and provide them with the opportunity to work from home in this difficult epidemiological period. And despite wage cuts, IT-industry is still one of the relatively stable areas of employment in the country. Nevertheless, what is happening in the world will have an impact on the industry. The deterioration of the macroeconomic environment and the recession in business activity will certainly affect it negatively. Therefore, the income of most segments of the IT sphere will fall and companies will be forced to abandon more functional projects in favour of cheaper ones. It's all done in order to optimize budget. Accordingly, investments in IT infrastructure will slow down. At the same time it is clear that the IT market is not homogeneous, so the pandemic in some segments will give good opportunities for growth. Creators of solutions and services for collaboration, information security, development (web-sites, software, mobile apps and computer games) will definitely benefit. Many companies will have to adapt their business processes to new realities.

The digital divide (the gap between those individuals who have access to modern information and communications technologies, and those who don't or have restricted access) will disappear very quickly. Innovative approaches to interacting with the older generation through telemedicine and other technologies should be implemented. Because of coronavirus elderly people are at high risk of falling ill. So, a need to enhance their digital skills has occurred. As a result they will be able to use mobile applications to get the latest information and communicate with family members, local volunteers and medical specialists. It means that they will be provided with assistance in conditions of even long distance. It is essential that during the pandemic, older people can get both emergency and primary health care.

To sum up, the winners are those companies, which digitized their operations such as sales, customer order, invoice processing, supply chain operations and human resources. This is due to the fact they managed to continue business activities even when their employees didn't have an opportunity to work from office because of the pandemic restrictions. Perhaps coronavirus is a wake-up call for the world to create one platform for trade and accelerate globalization. Crises do come from time to time, but the pandemic will change the future of the world in a fundamental way. The main prediction is that COVID-19 will greatly accelerate the transfer of some services to online ones, which involves developing contactless services, remote education and work, non-cash transactions. Working in these directions, businesses can make their way on the market and prosper after the pandemic.

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