

Coronavirus psychosis

On the day the Italian Council of Ministers declared a state of national emergency as a consequence of the health risk associated with the coronavirus, the opportunity is favorable to line up some of the main implications of the situation that originated in Wuhan, a metropolis with over 11 million inhabitants that over the years has become one of the driving forces behind Chinese investments in new technologies and heavy industry. In China, the virus spread coincided with the Spring Festival, the period of maximum expenditure in terms of internal consumption and in which the workers of the coastal megalopolis travel to reach their families in the hinterland: it is the world's largest mass migration, affecting almost half a billion people, and is the direct product of the persistent wealth gap between the coast and the countryside of the Asian country. The spread of the disease at such a delicate time of the year is linked to one of the most important challenges for Beijing - namely urbanization, while the more or less timely reaction of the central authorities will have consequences on the peoples' confidence on its work. With the result of directly affecting the social stability of the People's Republic: for this reason, the fight against coronavirus is undoubtedly the most important domestic emergency for China in the era of Xi. Economically speaking, investment bank Morgan Stanley estimates that Beijing could lose a percentage point of GDP in the first quarter of 2020, while global growth could drop between 0.15 and 0.3 points if the contagion peaks were to arrive between February and March. In a

phase of so-called global economic decoupling, the crisis can therefore show how much the majority of international markets still depend on the China-factory. And while the financial markets are trading downwards in the sign of uncertainty, some multinationals that embodies globalization such as Starbucks, McDonald's and H&M have decided to close or reduce their production and commercial activities in the Asian giant, to limit direct contacts and exorcise the risk-contagion. Meanwhile, the governments of Russia and North Korea have ordered the blocking of their respective borders with China, to try to contain the spread of the virus by land. Potential setbacks naturally affect also the Italian market, starting with the touristic sector: three million Chinese visitors travelled to Italy in 2018 and by 2020, the Italy-China culture and tourism year, a significant increase in flows was expected which at this point could also be resized. The luxury sector is also at risk, since in Italy about half of the demand for luxury goods comes precisely from Chinese consumers. Nonetheless, Italian national authorities have suspended all air traffic to and from China. Meanwhile Facebook has announced that it will remove the contents that spread fake information about the coronavirus: a more than tangible sign of the levels of alarms and collective psychosis mounted around the issue, despite the attempts by institutional authorities to scale back the health emergency and make a rational debate on the real risks of the virus and its actual dangerousness.