



Date: Wednesday, April 15, 2020

RE: “IMF Sees Sharp Rebound for Global Economy in 2021” (summary of third-party economic research and perspectives to foster communication with business and economic development stakeholders during the COVID19 crisis.)

Key Takeaways

- **Global:** IMF revised up the estimate for global GDP growth in 2021 from 3.4% to 5.8%.
- **U.S.:** Stimulus checks begin to arrive in U.S. taxpayer bank accounts as retail sales see record plunge.
- **Ohio:** Over 38,000 Paycheck Protection Loans in Ohio have been approved, totaling over \$10B.

Global

As cases [top 2 million](#), it is believed that the [official mortality count](#) is undercounted. Eight of the ten worst hit nations have seen [decreasing new daily infections](#), while the U.S. still has the highest counts of cases. [Germany plans to start reopening economy](#) on Monday (April 20). The U.S. halted [funding to the WHO](#), which constitutes 22% of its budget.

The IMF revised up the estimate for [global GDP growth](#) in 2021 from 3.4% to 5.8%. They also believe [increases in government borrowing will be massive](#) with global net public debt rising from 69.4% of national income in 2019 to 85.3% in 2020. The [Eurozone](#) failed to issue common debt, called “coronabonds,” to finance recovery, forcing individual countries to increase their bond yields. Companies given equity injections by the [European Commission](#) will not be allowed to pay out dividends, buy back shares, provide bonuses or similar remuneration or take “excessive risks” while still repaying the state. [India announces a plan](#) for gradual reopening of the economy to permit some manufacturing, agricultural work, and other activities on a limited basis after April 20, however, the country’s lockdown will otherwise persist until May 3. [A French court banned Amazon](#) from selling non-essential goods and will be administering a fine of 1M euros a day for each day’s delay. [In response, Amazon](#) will temporarily shut down all warehouse operations in France until at least April 20. [Japanese company Bridgestone Corp.](#) resumed production in plants in Spain and Russia which were previously suspended with plans to open production in Italy later this month.

The [International Air Transport Association](#) projects passenger count to fall 55% compared to 2019. [Pressure on U.S. importers fell](#) from tariff relief after duties fell by 6.8% year over year. The logistics industry continues to feel global disruptions with container handling through California’s big three ports falling 18.4%. In Europe, UK trade activity continued to slow with imports from EU down 17% year-over-year in February.

U.S.

[Stimulus checks](#) begin to arrive in U.S. taxpayer bank accounts today. In “[After the Coronavirus Peak, What’s Next?](#),” Morgan Stanley projected a timeline and milestones for a return to work in the U.S. Prolonged or intermittent social distancing may be necessary into 2022 to [avoid resurgence](#) and continue to not exceed healthcare capacities. The pandemic [complicates storm recovery](#) for southern states, where “widespread outage restoration times may be extended.” [New York City](#) will begin producing 50,000 of its own test kits weekly. [The SBA](#) provided figures showing that 71% of its \$349B for the Paycheck Protection Program has been committed as of April 13 and the construction industry has been the largest recipient. [The National Governors Association](#) outlined need for an additional \$500B to meet state budgetary shortfalls. [General Motors and Ventec](#) announced their first delivery of Critical Care V+Pro Ventilators under contract to the U.S. Department of Health and Human Services. The [National Safety Council](#) urges the federal government to provide COVID-19 testing resources to employers engaged in essential business services. A [dearth of protections](#) for essential workers has triggered a wave of strikes and walk-offs that experts say will persist through the pandemic.

Across sectors including automotive, banking chemicals and high tech, [Accenture is sharing industry-specific advice](#) on what leaders should consider doing now and next. [Food and beverage stores](#) posted a record 25.6% surge in March. There is a [surge in demand for warehouse space](#), particularly refrigerated space as distributors move away from just-in-time inventory to increase e-commerce capacity and “safety stock” volume. [LinkedIn](#) finds that the sectors with the



most hiring so far are software & IT services, public safety, and legal. [S&P Global](#) reports the pandemic may incentivize retailers to further invest in automation. [Amazon](#) hiring for additional 75,000 jobs.

Bain & Co. updated its situational report index to [Macro Conditions 7](#): Severe multi-quarter economic impacts in multiple markets likely. In March, [manufacturing output](#) dropped by the most since 1946, at 6.3%, and [retail sales](#) plunged a record 8.7%. [April is anticipated](#) to be worse on these metrics. [JPMorgan](#) is building its credit reserves in anticipation that people might not be able to pay their credit card bills. The [auto industry](#) is sharing detailed return-to-work guidelines on how to shield employees from the coronavirus. [JC Penney](#) is exploring bankruptcy after closing its 850 department stores. [Meat production](#) supply chains are threatened as CO2 supply decreases. [McDonald's](#) Corp rejected requests from its U.S. franchisees to delay some March rent and royalty payments.

Ohio

Without intervention, Ohio’s new cases per day would have peaked at 61,687 on March 22, however the latest projections from [Ohio Department of Health](#) show peak cases on April 19 at 1,607 new cases per day. [Ohio will coordinate](#) with Indiana and Kentucky on lifting restrictions. Over 38,000 [Paycheck Protection Loans](#) in Ohio have been approved, totaling over \$10 billion.

[Novelis Inc.](#) closed on its acquisition of Ohio-based aluminum producer Aleris Corp. totaling \$2.8B. [Wexner Medical Center](#) is using plasma from recovered patients to treat current coronavirus patients. [Start Skydiving](#) of Middletown is 3-D printing face shields for local hospitals.

The [Ohio restaurant](#) business is down 90% for fine-dining establishments, 75% for casual dining, 45% for fast-casual places, and 35% for fast-food restaurants, leading 3% of restaurants to close permanently and 11% to expect not to reopen. [Insurers, including Cincinnati Insurance Co](#), state they are providing premium refunds despite great uncertainty as a means of providing relief to their insureds. [U.S. banks closed 131 branches](#) in March while opening 66; in Ohio only 1 was opened while 8 closed for a net loss of 7 branches.

<i>Positive Company-Specific News (since 4/13)</i>	<i>Negative Company-Specific News (since 4/13)</i>
<ul style="list-style-type: none"> - Honda (East Liberty and Marysville) resumes May 4 - ECA Toledo North resumes sometime after May 3. - Swagelok donates N95 masks to healthcare workers. - Sinclair partners with manufacturer to 3D print masks for healthcare workers. - Amazon's hiring surge will top 11,000 jobs in Ohio as it announces another 4,600 openings in the state - Hyland Software has launched Credentials for Higher Education, a credential solution for education built on digital blockchain technology. - Cincinnati-based Meridian Bioscience launches several novel recombinant antigens critical for the development of antibody tests for COVID-19. - Thor Industries resumed production at some European sites and hopes to resume work across North America by May 4. - Ardent Technologies is among winners of a \$20B federal contract and will be boosting its workforce by 50%. 	<ul style="list-style-type: none"> - WARN Notices and counts of affected: HCFS Health Care Financial Services – 172; Advanced Composites – 210; Crowne Plaza Dayton – 130; Concord Dayton Hotel – 160; Vitro Automotive Glass Works – 318; Deceuninck North America – 233 - Ford Ohio Assembly (Avon Lake) no date for restart - E.W. Scripps company executives agreed to voluntary salary reductions - Cleveland-Cliffs will be temporarily idling production at two iron mining operations in Michigan and Minnesota due to market conditions. S&P downgraded the company from B to B-and reported the company is considering suspending future dividends. - Columbus REIT Washington Prime Group has temporarily reduced executive officer compensation by up to 25% and cut its workforce by about 20% - PNC Financial Services had a 384% year-over-year increase in credit losses.

Resources

- Ohio Department of Health’s COVID-19 Website: www.coronavirus.ohio.gov
- JobsOhio’s resource portal remains available at: <https://www.jobsohio.com/ohio-safe-ohio-working/>