**Date:** Monday, April 20, 2020

**RE:** “Good Safety is Good Business” (summary of third-party economic research and perspectives to foster communication with business and economic development stakeholders during the COVID-19 crisis.)

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### Key Takeaways

- **Global:** IMF needs to consider “exceptional measures” that includes debt relief and SDR’s allocation.
- **U.S.:** Congress nears a bill expected to include $310B more for the SBA Paycheck Protection Program. Texas, Georgia, South Carolina and other state governors announced phased reopening plans.
- **Ohio:** There have been 59,800 Paycheck Protection Program loans approved totaling $14.1B in Ohio as of April 16, 2020.

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#### Global

Small shops in Germany begin to reopen. Spain will allow young children to leave their homes for the first time in five weeks. India took its first tentative steps towards restarting its stalled economy, relaxing its strict national lockdown to permit the limited resumption of industrial activities. Iran has begun to lift some restrictions with some shops and inter-city roads opening. Russia will likely extend its lockdown past April 30. Frontline workers say Brazil and Mexico’s governments are under-reporting coronavirus deaths. Travel restrictions to Mexico and Canada are extended by the U.S. Department of Homeland Security for another 30 days. The World Health Organization chief warned Monday that “the worst is yet ahead of us” in the coronavirus outbreak, reviving the alarm just as many countries ease restrictive measures aimed at reducing its spread.

**IMF Managing Director** says the organization may need to consider “exceptional measures” to help countries deal with the coronavirus. The U.N. children’s agency UNICEF, appealed for an additional $92.4 million to help fight the coronavirus in the Middle East and North Africa. Up to 59 million jobs in Europe are at risk because of the economic shutdown from coronavirus. The European Central Bank pushes for Eurozone to clean up soured loans. Japan will boost the size of its coronavirus spending package by ¥8.9 trillion ($83B) as it revealed the cost of a measure to give ¥100,000 to everybody in the country.

The EU’s health commissioner warned that the coronavirus has exposed the EU’s reliance on imports of vital drugs, with as much as 90% of active pharmaceutical ingredients for generic medicines currently sourced from India and China. China rolls out a pilot test of digital currency, launches QR code system for contact tracing. Many older phones cannot run new contact tracing apps. Alibaba will spend $28B on cloud computing, a part of its business which has yet to turn a profit. The International Air Transport Association (IATA) expects global airline passenger revenues to decline $314B in 2020, down 55% from 2019. Another report, by Skytra, noted that change in value of tickets sold for the final week of March fell between 93-107% in regions throughout the world.

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#### U.S.

U.S. coronavirus cases over 760,000 as New York plans to start antibody tests. Trump warns that reopening U.S. too soon could backfire. It is estimated that 9.2 million workers likely lost their employer-provided health insurance in the past four weeks. A coalition of organizations launch the Protecting People Everywhere’ initiative answering the call to source PPE for healthcare workers. Instagram partnered with the National Alliance on Mental Illness to connect young people to mental health support resources.

Fed Beige Book says the economy has contracted ‘sharply and abruptly’. Congressional leaders near an interim coronavirus aid bill, expected to include $310B more for the Paycheck Protection Program, which ran out of funding last week. New York Fed President Williams says the economy won’t be back to ‘full strength’ by end of 2020. U.S. steel mills are operating at 56% of capacity, down from 80% in 2019, according to the American Iron and Steel Institute, and steel output across the country has fallen by a third in three weeks. U.S. home construction collapsed 22.3% in March. The U.S. Department of Homeland Security’s Cybersecurity and Infrastructure Security.
added auto sales as an essential service. West Texas Intermediate crude for May delivery fell more than 100% to settle at negative $37.63 per barrel as storage space for U.S. crude was filling up. U.S. restaurants asked Congress for more financial aid, stating they are tracked to lose $240B by the end of 2020 as two thirds of its workers, or 8 million people, have been laid off or furloughed. Some large U.S. banks are getting sued/accused of favoritism in PPP loans to small business.

Wal-Mart will hire 50,000 to meet surging demand, having already reached its earlier target of hiring 150,000 additional workers 6 weeks ahead of schedule. 85% of these roles will be part-time or temporary. Wal-Mart will also require employees to wear face coverings at work. Uber is reviving efforts to provide delivery services, as it withdrew its financial guidance last week due to “uncertainty” of the coronavirus. United Airlines reported $2.1B loss for first quarter as the pandemic drove travel demand down to the lowest level in decades. J.C. Penney, currently eyeing bankruptcy, is Washington Prime Group’s largest anchor tenant by gross leased area, with 36 locations totaling almost 4.6M square feet, or 8.2% of Washington Prime's total portfolio.

Ohio Governor DeWine tells companies preparing to reopen that, “Good safety is good business.” There have been 59,800 Paycheck Protection Program loans approved totaling $14.1 billion as of April 16, 2020, ranking Ohio 7th in the U.S. The City of Green approves $600,000 for loan program to help local businesses.

Rite-Aid have self-testing coronavirus sites in Parma and Toledo, to open starting April 20 and administered in the store’s parking lots. Ohio food worker unions, United Food and Commercial Workers Local 75, 880, and 1059 request regulations to slow line speeds at food processing plants, cap grocery store capacity at 20%, and mandate that people wear face masks while at work or at essential stores. Miami University is distributing $27M in refunds for room, board, and other fees paid by students. The university also informed most of its contingent staff their contracts will not be renewed in fall.

### Positive Company-Specific News (since 4/17)
- Mixt Solutions expands in Columbus region, will invest $1.2M
- Big Lots released a new television ad as tribute for its front-line essential store associates. A portion of the music played during the commercial will be donated front-line healthcare workers.
- Dairy Farmers of America partnered with Daisy Brands to donate 120,000lbs of cottage cheese to NE Ohio food banks.
- FormLabs Ohio delivered 15,000 3D printed swabs to OSU in a joint project with Ohio Department of Health.
- Procter & Gamble fiscal 3Q U.S. sales surged 10% as consumers stocked up in preparation for the coronavirus outbreak.
- Nationwide Insurance stated in its annual report that its solid performance in 2019 has given it capital strength to weather the damage caused by the pandemic.
- Cincinnati-based marketing firm Dean Houston began producing face masks and shields through its production subsidiary.

### Negative Company-Specific News (since 4/17)
- ArcelorMittal and other steelmakers are ratcheting back output and shedding workers, anticipating orders and prices to fall further.
- Summit Motorsports Park owner says he has to reopen this year or will go out of business.
- Progressive Corp. released its March results and reported significant year-over-year earnings declines. The company added $103M to reserves to cover elevated claims costs and troubled accounts.
- Transdigm issued an additional $400M in notes adding to the previously issued $400M that will be due 2026.
- Macy's is exploring rescue financing including new bonds backed by property and other assets as part of its turnaround plan and dealing with the pandemic.
- EssilorLuxottica will not be distributing dividends in an effort to protect its balance sheet and will further assess other means going forward.

### Resources
- Ohio Department of Health’s COVID-19 Website: www.coronavirus.ohio.gov
- JobsOhio’s resource portal remains available at: https://www.jobsohio.com/covid-19-resources/