



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 COVID19 crisis.)

Key Takeaways

- **Global:** IMF needs to consider “exceptional measures” that includes debt relief and SDRs 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.

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.

U.S.

U.S. coronavirus cases over 760,000 as New York plans to [start antibody tests](#). [Fauci](#) 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 Agency](#)



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.

<i>Positive Company-Specific News (since 4/17)</i>	<i>Negative Company-Specific News (since 4/17)</i>
<ul style="list-style-type: none"> - 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 DeanHouston began producing face masks and shields through its production subsidiary. 	<ul style="list-style-type: none"> - 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/>