



Date: Friday, April 3, 2020

RE: “Confirmed COVID-19 Cases Exceed 1M Globally” (summary of third-party economic research and perspectives to foster communication with business and economic development stakeholders during the COVID19 crisis.)

Key Takeaways

- Global: Half of humanity now under stay-at-home order as global cases exceed 1M.
- U.S.: [\\$350B loan program](#) for small businesses launched today as payrolls decreased by 701,000 jobs in March. According to the [SBA](#), at least 9,970 loans have been processed, \$3.2B+ originated.
- Ohio: Honda announced using its 3D-printing to create protective face shields for medical providers.

Global

Confirmed cases of the novel coronavirus world-wide surpassed [1 million](#) Thursday. [South Korea](#) contained the virus with an all-government approach. [Taiwan](#) had early and effective measures to control the virus, and now boosts its stimulus package to US \$35B and donates 10M face masks. A group of scientists, physicians, funders, and policy makers from over 70 institutions from over 30 countries have [launched an international coalition](#) to respond to COVID-19 in resource-poor settings. [Ireland](#)'s pharmaceutical industry gears up to make key ingredient for virus testing for the international market.

Nearly 4B people in world are now under some sort of stay-at-home order. The [UN reports](#) that about 100 countries have closed their borders and that the global economy could shrink by up to 1 per cent in 2020. [Fitch Ratings](#) expects “deep global recession” for 2020. [Leaders of G-20](#) are preparing debt relief and financial aid to African nations. [The Eurozone PMI](#) dropped from a reading of 51.6 to 29.7.

U.S.

[Payrolls decreased by 701,000 jobs](#) in March as efforts to contain the virus disrupted the U.S. economy. [Nationwide Insurance's Chief Economist](#) believes the \$2T US Stimulus will not prevent a recession. The [Congressional Budget Office](#) predicts Q2 GDP declining 7% and the unemployment topping 10%. [Morgan Stanley](#) forecasts a 38% drop in Q2 GDP. Oxford Economics projects that by May, the U.S. will have lost 27.9M jobs with 16% unemployment.

The \$350B loan program for small businesses launched today, but [banks warn that pent up demand](#) for small business loans could be overwhelming for banks and government. [The US Treasury department](#) issued a record amount of short-dated debt to fund portions of the stimulus package that require immediate financing. In total \$319B treasury bills were issued (previous record - \$190B). [Fannie Mae and Freddie Mac](#) could require more bailouts if the lockdown lasts beyond 12 weeks.

U.S. expected to [recommend cloth face masks for Americans](#) in coronavirus hot spots. The Trump administration orders USAID to suspend PPE shipments abroad and is expected to use a federal stimulus package to [pay hospitals that treat uninsured people with the new coronavirus](#). New York State experiences a 15-20% increase in domestic violence cases due to co-sheltering and [Governor Cuomo](#) will deploy the National Guard to claim ventilators and equipment from those not using them.

[ZipRecruiter](#) shows a steep decline in job postings and downsizes. [Walt Disney Co.](#) announced furloughs. Coronavirus disruptions could delay 10-26% of US solar installations. Fintech funding has fallen back to 2017 levels. Ford Motor's first-quarter 2020 sales in the U.S. were down 12.5% year over year. Real estate investment trust share prices plunge in Q1. The Association of American Railroads reports year-to-date coal rail traffic for the week dropped 16.7% year on year.



[Consumers](#) are shifting their share of e-commerce spending toward apparel, footwear and accessories and choosing items to work from home and workout wear. The [Air Force](#) will release \$882M in withheld payments to Boeing. UPS Flight Forward seeks to operate beyond visual line of sight (BVLOS) to address challenges from the virus. [Goldman Sachs](#) commits \$300M to support communities and small businesses.

Ohio

Doctor Acton extended the stay at home order through May 1st. The [Trump administration](#) approved Ohio’s request for a disaster declaration. Governor DeWine announces the Ohio Manufacturing Alliance and an Economic Advisory Board.

[Ohio hospitals](#) are facing a \$1.2B monthly revenue drop from the suspension of elective procedures. Cincinnati’s Duke Energy Convention Center will be converted into a temporary hospital. [Greater Cincinnati-based banks](#) are exposed to as much as \$141M in non-guaranteed portion of SBA loans. [Six Cuyahoga county](#) jail inmates tested positive for COVID-19 and the county jail population has been subsequently reduced by 50%.

[Ohio-based Bath & Body Works](#) announced it will be reopening two stores in Columbus as it claims being an essential business. Navistar’s truck assembly plant in Springfield ceased production due to supply chain disruptions but will resume April 27. [Kroger’s](#) March sales are up 30% though management is bracing for potential supply chain disruptions, increased costs, reduced workforces, temporary store closings and reduced consumer traffic and purchasing due to illness, quarantine or financial hardship.

WARN notice update – 1,010 potential layoffs for April as of today.

<i>Positive Company-Specific News (since 4/1)</i>	<i>Negative Company-Specific News (since 4/1)</i>
<ul style="list-style-type: none"> - CD Global Solutions is producing patent-pending face shields - delivering 10,000 to Southwest General, preparing to provide 20,000 more, and donated 500 to the Greater Cleveland Food Bank. They will create 20M each month beginning in June. - Space Force announced its intention to transfer five units at WPAFB from the Air Force to the Space Force. - First Solar said it believes it can continue operating factories in Ohio - Harrington Discovery Institute at University Hospitals in Cleveland near-term therapies to treat COVID-19 and its complications - Bank of America awarded University Hospitals a \$200,000 grant - Cleveland-based Athersys announced it has clinical trials underway for a stem-cell therapy to treat a primary cause of death by COVID-19. - New Albany-based Red Roof is offering day rates to encourage remote workers to rent hotel rooms as makeshift offices. - Marysville-based Honda announced using its 3D-printing to create protective face shields for medical providers. It also donated much of its PPE stock to frontline healthcare workers. 	<ul style="list-style-type: none"> - Ohio-based REIT Welltower said 45 communities in its seniors housing operating portfolio have reported at least one confirmed COVID-19 case, as of April 1, impacting 116 residents. - The GE Aviation Peebles Test Operation (PTO) facility in Peebles will lay off 344 - Murray Energy and subsidiaries announced full permanent layoffs of 508 if it fails to sell its assets. - General Electric Co. announced plans to furlough 50% of GE Aviation’s engine assembly and component manufacturing. It is unclear how many in Ohio will be affected. - Diebold Nixdorf withdrew its full-year 2020 outlook in light of coronavirus-related challenges. - Aerospace manufacturing TransDigm announced on Thursday it would cut its workforce by 15% representing 2745 workers. - COSI approved the temporary layoff of over 80% of its overall workforce. - Layoffs and counts include: YUSA Corporation – 350; The Ohio Valley Coal Company – 69; American Energy Corporation – 358.

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/>