



**Date:** Tuesday, March 31, 2020

**RE:** “First Quarter of 2020 Coming to an End” (summary of third-party economic research and perspectives to foster communication with business and economic development stakeholders during the COVID19 crisis.)

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### **Key Takeaways**

- Global: The WHO begins [drug trials](#) for coronavirus, as global confirmed cases reaches 770,000.
- U.S.: Abbott launched a portable 5-minute virus test kit.
- Ohio: Columbus-based Battelle received full approval to deploy its mask-sterilizing technology.

### **Global**

The [United Nations](#) urges \$2.5 trillion aid to help developing nations amid the pandemic. [Spain's](#) outbreak is slowing. [Iran](#) has the worst outbreak in the middle east and authorities say they've had to consider the effect of mass quarantine on the economy, which is under heavy U.S. sanctions.

[Britain](#) has ordered 10,000 ventilators from a consortium of 27 leading aerospace, engineering and Formula One racing including Airbus, BAE Systems, Ford and Rolls-Royce.

[US crude oil prices](#) fell below \$20 a barrel on Monday, close to the lowest level in 18 years. Total vehicle production in Japan fell 13.6% to 625,750 units in February. Total vehicle exports from Japan fell 46.4% to 8,209. Global vehicle production has fallen 26%.

### **U.S.**

The President [extended guidelines](#) on social distancing during the COVID-19 outbreak until April 30. [Financial Times reports](#) that some companies are expressing a desire for more clarity on the federal relief package. [Some states](#) are mandating quarantines and setting up checkpoints to limit cross-state infections. The CDC issued a [travel advisory](#) for residents of New York, New Jersey, and Connecticut.

The [St. Louis Federal Reserve](#) estimates 52.8M unemployed individuals at an unemployment rate of 32.1% for the second quarter of 2020. Goldman Sachs forecasts that S&P 500 dividends will fall by 25% in 2020. [McKinsey](#) estimated that U.S. GDP will have -2.4% annual growth in 2020 under “Virus Contained” scenario, and have -8.4% growth under a “Muted Recovery” Scenario.

Federal Reserve officials are [reviewing new ways to support financing](#) for state and local governments, many of which are on the front lines of the coronavirus pandemic and will face huge borrowing needs as revenues plunge. The U.S. Chamber issued a [Small Business Guide and Checklist](#), describing the Paycheck Protection Program, the initiative provides 100% federally guaranteed loans to small businesses who maintain their payroll during this emergency.

[Abbott Diagnostics](#) launched a small, portable 5-minute virus test that can supply 50,000 tests a day beginning on April 1. Trump orders GM to make ventilators under the Defense Production Act. [More than a week earlier](#), GM and Ventec Life Systems had announced a partnership to produce ventilators.

[UPS announced a partnership](#) with FEMA to collaborate on supply chain and distribution of PPE and assist state agencies with setting up testing sites, working with pharmaceutical companies on distribution, and setting up their own channels for supplying testing kits

[Google will donate](#) more than \$800M in ad credits and loans to help government orgs and small businesses respond to the COVID-19 crisis. [Facebook has pledged](#) \$100M to aid news outlets hardest hit financially. [Instacart workers](#) plan to strike in protest of lack of safety measures and hazard pay.



Insurers worry virus-linked costs may reach \$383B a month. [Life insurance providers](#) cannot obtain medical exams to price insurance, nor is there a reliable mortality rate to the virus, making it possible companies will suspend acceptance of new applicants.

Costco Wholesale Club is cutting weekday hours. [Walmart](#) will implement no-contact payments and contactless pickup and delivery. [US retailers teeter on the brink](#) as almost 630,000 outlets close, it is estimated that \$430B in industry revenues could evaporate over the next three months.

**Ohio**

[FDA rewrote rules](#) to allow full application of a potentially game-changing Battelle technology to sterilize protective masks worn by medical professionals. The company has two machines – each capable of cleaning 80,000 masks a day – ready to go for Ohio. It also is deploying machines to New York, Seattle and Washington, D.C. That means the new order could allow for up to 400,000 clean masks a day in the short run.

The Ohio Manufacturer’s Association (OMA), the Ohio Hospital Association, and the Ohio Manufacturing Extension Partnership (MEP) have [created an alliance](#) to get PPE to healthcare workers including 22 organizations.

Ohio restaurants report almost \$700M in sales drop, and cut 100,000 jobs, according to Columbus Business First. Another [Ohio hotel](#), Columbus Hyatt Place will offer reduced rates to healthcare workers.

<i>Positive Company-Specific News (since 3/27)</i>	<i>Negative Company-Specific News (since 3/27)</i>
<ul style="list-style-type: none"> <li>- Plan for <a href="#">Cracker in Belmont</a> County Takes Step Forward</li> <li>- Strong sales in March for essential items such as food and consumables has resulted in positive low single digit comps quarter-to-date for <a href="#">Big Lots</a>, headquartered in Columbus, Ohio</li> <li>- <a href="#">Daavlin</a> has developed into a leading manufacturer of phototherapeutic products with a world-wide presence.</li> <li>- Kroger will hire 20,000 new workers. The U.S. grocer had already hired 23,500 more workers recently, including those from the hardest-hit sectors like restaurants, hotels and foodservice distributors.</li> <li>- Among companies that Goldman Sachs considered safe during the crisis: PNC Financial Services Group Inc., Cincinnati Financial Corp. Emerson Electric Co., NiSource Inc. and American Electric Power Co. Inc.</li> <li>- <a href="#">Transcom WorldWide AB</a> is a Swedish outsourcing company which provides customer care, sales, technical support and collections services and is hiring.</li> </ul>	<ul style="list-style-type: none"> <li>- <a href="#">Macy’s</a> will furlough most workers.</li> <li>- The Cincinnati Zoo has layoffs and asks for donations to care for its animals</li> <li>- Hexion CEO &amp; Chairman Craig Rogerson has taken a temporary medical leave of absence due to condition consistent with COVID-19</li> <li>- Wendy’s suspends FY20 outlook and share repurchases. They also drew down an additional \$120M in revolving credit and noted it currently has 235 temporary store closures.</li> <li>- <a href="#">L Brands</a> suspends dividend, and temporarily cuts senior VP and above pay by 20% amid coronavirus.</li> <li>- Columbus-based <a href="#">REIT Washington Prime Group</a> is withdrawing its FY20 guidance and not providing additional guidance at this time.</li> </ul>

**Resources**

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