



Date: Friday, September 4, 2020

RE: “Ohio Ranks Second for Aerospace Manufacturing Attractiveness” (summary of third-party economic research and perspectives to foster communication with business and economic development stakeholders during the COVID-19 crisis.)

Key Takeaways

- **Global:** 3 in 4 adults around the world say they would get a COVID-19 vaccine, but people are not optimistic that one is likely to be ready by the end of 2020 [according to Ipsos/WEF survey](#).
- **U.S.:** The Congressional Budget Office projects a [federal budget deficit of \\$3.3 trillion](#) in 2020, more than triple the shortfall recorded in 2019.
- **Ohio:** Ohio ranks second among states for “aerospace attractiveness,” per a new [PwC Report](#). ‘Flying Car’ Developers Settle in [Dayton Region](#).

Global

[Global cases](#) of COVID-19 have reached 25.8M. There is still no specified date for reopening the [US-Canadian border](#), although trade has continued. More than [60% of the world’s PPE](#) is made in Malaysia, with the majority of the remaining supply coming from Thailand and China. Meanwhile, [demand for PPE](#) is projected to grow an additional 7.8% compound annual growth rate (CAGR) each year for the next five years through 2025.

[Germany’s economy](#) is recovering faster than was anticipated a few months ago, helped by a relatively mild and short lockdown, a large-scale fiscal stimulus and Berlin’s close trade links with China, according to new government forecasts. [Canada’s GDP fell at a 38.7% annualized rate](#) in the second quarter, while preliminary data point to record third-quarter gains. [Australia’s economy](#) is officially in a recession for the first time in nearly three decades after second quarter data revealed the nation’s GDP has shrunk by 7%. The [South Korean budget](#) (total expenditures) for next year has been set at 555.8T won (US\$468.9B), an increase of 8.5% from this year.

U.S.

Total nonfarm payroll employment rose by 1.4 million in August, and the [unemployment rate fell to 8.4 percent](#) – the first time since March the rate has been below 10%, and a 1.8% drop over July. [Market valuations of industries](#) have changed in very different ways during the COVID-19 crisis, with oil & gas and commercial aerospace most negatively impacted and high tech most positively impacted. U.S. [companies added fewer jobs](#) than expected in August at 428,000, suggesting the labor market rebound remains gradual, with employment well below pre-pandemic levels, according to ADP data. U.S. [government debt](#) is on track to exceed the size of the economy in 2021 fiscal year, a milestone not hit since World War II. [The August PMI registered 56%](#), up 1.8% from the July reading of 54.2%, indicating economic activity in the manufacturing sector grew in August, with the overall economy notching a fourth consecutive month of growth. [Fed’s Beige Book](#) reported that the U.S. economy grew modestly over the summer but remained well below its pre-pandemic level of activity.

[Coronavirus cases](#) in the Midwest are beginning to increase following warnings from top U.S. health officials that the country’s heartland could be vulnerable to new outbreaks. [Health insurance companies](#) report doubling profits during the pandemic in Q2 2020 compared to Q2 2019. With manufacturers prioritizing production of COVID-19 tests, [U.S. laboratories](#) are seeing backorders on test supplies for urinary tract infections, sexually-transmitted infections like chlamydia and gonorrhea, gastroenteritis and more. US ESG index funds hit \$250B in assets as pandemic accelerates [impact investing boom](#).

A survey of human-resources employees released by Randstad RiseSmart found nearly half of [U.S. employers that furloughed or laid off staff](#) because of COVID-19 are considering additional workplace cuts in the next 12 months. [Personal income and outlays](#) for July increased for the first time since April. [Groceries](#) were 4.5% more expensive in June 2020 than they were in February 2020. [Ford](#) is preparing to trim about 1,000 salaried



jobs in North America, looking to its home market for savings as part of an \$11B global restructuring begun two years ago as it projects an operating loss this year. [United Airlines](#) will furlough more than 16,000 come October. [Coca-Cola](#) is offering initial voluntary-separation packages to about 4,000 employees in the U.S. and Canada.

Schools have been scrambling to [bridge the digital divide](#) by subsidizing internet access for unconnected students. Many school districts have purchased and distributed 4G wireless hotspots or paid for discount wired internet services for low-income families. Other communities are expanding free internet services by setting up public hotspots around cities, inviting families to access Wi-Fi from school parking lots, or even dispatching Wi-Fi-equipped buses to neighborhoods with a dearth of home service. [Spectrum](#) is unveiling a cable broadband plan that provides another option for households with students needing high-speed internet for at-home classes.

Ohio

Ohio ranks second among states for “[aerospace attractiveness](#)” with a new PwC report pointing to Ohio’s strengths as an investment destination “largely due to its attractive corporate tax structure; healthy economy; and strong industry presence”. [Ohio shale production](#), largely from the Utica Shale, declined 8% to 6.56 Bcfe/d compared to the second quarter of 2019. Output was down 3% from the first quarter, far less than the 14% sequential drop in the first quarter as the coronavirus pandemic set in, according to data released August 28.

A central Ohio nursing and rehabilitation center, Heartland of Dublin, is participating in a [national trial for coronavirus antibody infusion](#) which may prevent or lessen symptoms of COVID-19. The Ohio State University Wexner Medical Center will be a test site for a multicenter, 30,000-person clinical trial testing an [experimental COVID-19 vaccine](#) that was co-developed by the University of Oxford and AstraZeneca.

| <i>Positive Company-Specific News</i> | <i>Negative Company-Specific News</i> |
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| <ul style="list-style-type: none"> - Huntington Bank announces \$20B philanthropic community-building plan. - L Brands Inc. is planning to hire up to 4,000 people to bolster its local distribution centers for the holidays. - Carvana will invest \$23M to expand operations by building a 200,000-square-foot facility in Lorain County. Company plans to hire 400 employees. - Forward Air expands in Groveport, investing \$31.8M and creating 50 new jobs. - Plug Power plans to go forward with its expansion project in Dayton area. The company expects to create 25 full-time jobs with \$1.5M in new annual payroll and retain \$1.5M in existing payroll as a result of the project. - Procter & Gamble is bringing relief to those affected by Hurricane Laura through its Tide Loads of Hope Mobile Laundry Units. - Benchmark Shield, a new Columbus startup, is gearing up to produce up to 10M disposable ASTM-rated surgical masks per month, under the brand name EasyShield. - RPM International announced its Rust-Oleum business acquired Ali Industries, a leading manufacturer of sandpaper and abrasives in Fairborn. - Caregiver announced that it has acquired Pine Ridge-Pine Village Inc. in Williamsburg. With this recent acquisition, Caregiver is able to deliver quality care to more individuals living in Ohio. - American Airlines will begin a weekly nonstop flight between Dayton International Airport and Miami, Florida. | <ul style="list-style-type: none"> - Shiloh Industries has entered into bankruptcy filings and a stalking horse stock and asset purchase agreement. - PSA Airlines, the only Ohio-based airline, intends to outsource its maintenance work and lay off 47 workers. - Kroger Marketplace project has been canceled in West Chester. - Ohio banks see net income plunge. The FDIC released data for the three months ended June 30 revealing a 70% drop in net income at commercial banks and savings institutions. Ohio essentially followed that trend – net income was down 68% among its 176 institutions insured by the FDIC. - WARN Notices and count affected: Kroger Store #555 – 115; Avis Budget Car Rental – 101; Live Nation – 76; The Ritz-Carlton – 74; PSA Airlines – 47 |

Resources

- Ohio Department of Health’s COVID-19 Website: www.coronavirus.ohio.gov
- JobsOhio’s [resource portal](#) and information about [Open, Secure Supply Chains](#) in Ohio.

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