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Information Webinar to Member Associations

Special message from the President due to Covid-19

Jesús Martínez Almela, IPMA President
Webinar, April 3rd 2020

IPMA[®]
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What is really happening?

Jesus Martinez Almela, IPMA President

A timeline of historical pandemics

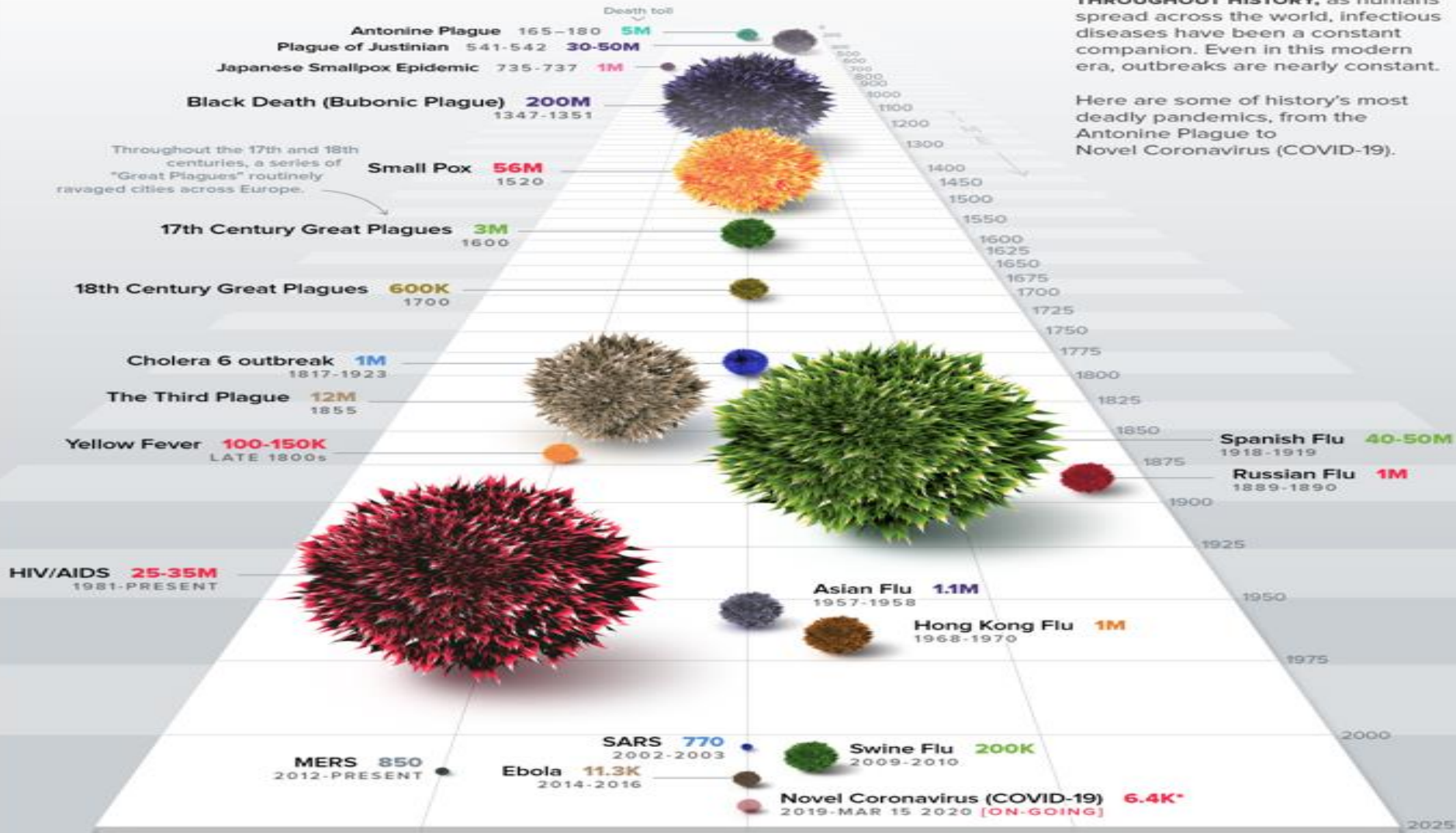
- » Disease and illnesses have plagued humanity since the earliest days, our mortal flaw. However, it was not until the marked shift to agrarian communities that the scale and spread of these diseases increased dramatically;
- » Widespread trade created new opportunities for human and animal interactions that sped up such epidemics: malaria, tuberculosis, leprosy, influenza, smallpox, and others first appeared during these early years;
- » The more civilized humans became – with larger cities, more exotic trade routes, and increased contact with different populations of people, animals, and ecosystems – the more likely pandemics would occur.

HISTORY OF PANDEMICS

PAN-DEM-IC (of a disease) prevalent over a whole country or the world.

THROUGHOUT HISTORY, as humans spread across the world, infectious diseases have been a constant companion. Even in this modern era, outbreaks are nearly constant.

Here are some of history's most deadly pandemics, from the Antonine Plague to Novel Coronavirus (COVID-19).



*As of Mar 11, officially a pandemic according to WHO

It is hard to calculate and forecast the impact of COVID-19 because the disease is new to medicine, and data is still coming in.

DEATH TOLL
[HIGHEST TO LOWEST]

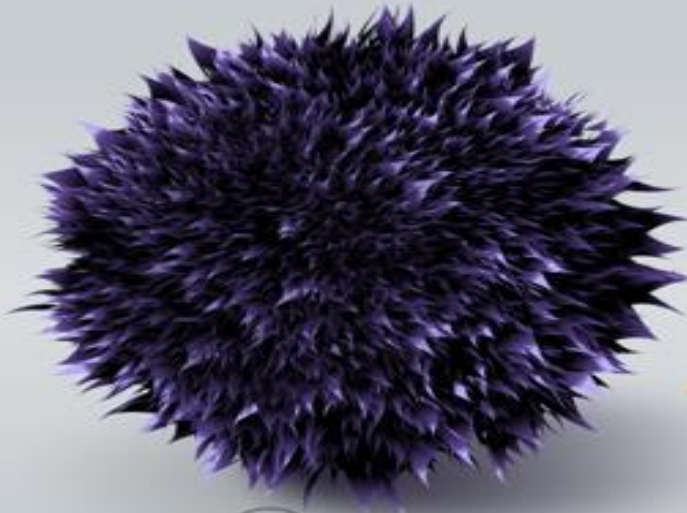
It is hard to calculate and forecast the impact of COVID-19 because the disease is new to medicine, and data is still coming in.

DEATH TOLL

[HIGHEST TO LOWEST]

200M

Black Death (Bubonic Plague)
1347-1351

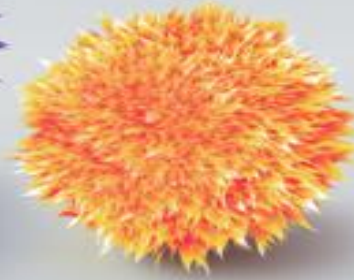


The plague originated in rats and spread to humans via infected fleas.

The outbreak wiped out 30-50% of Europe's population. It took more than 200 years for the continent's population to recover.

56M

Small Pox
1520



Smallpox killed an estimated 90% of Native Americans. In Europe during the 1800s, an estimated 400,000 people were being killed by smallpox annually. The first ever vaccine was created to ward off smallpox.

40-50M
Spanish Flu
1918-1919



30-50M
Plague of Justinian
541-542



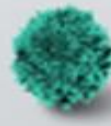
The death toll of this plague is still under debate as new evidence is uncovered, but many think it may have helped hasten the fall of the Roman Empire.



25-35M
HIV/AIDS
1981-PRESENT



12M
The Third Plague
1855



5M
Antonine Plague
165-180



3M
17th Century Great Plagues
1665



1.1M
Asian Flu
1957-1958



1M
Russian Flu
1889-1890



1M
Hong Kong Flu
1968-1970



1M
Cholera 6 outbreak
1817-1923

A series of Cholera outbreaks spread around the world in the 1800s killing millions of people. There is no solid consensus on death tolls.

But this time is different (2020)

- » It is Global pandemic,
- » Global population rise 7,7 billion people, average life about 80 y.o. The 78% world population live in cities, urban and largest cities,
- » It is not focused on low-middle income countries,
- » Interest rates are historical lows,
- » The World is much more integrated and globalized,
- » Current outbreak crisis is generating spillover effects throughout supply chains;
- » We have simultaneously destruction of demand and supply.

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What we can learn from recent data

Jesus Martinez Almela, IPMA President

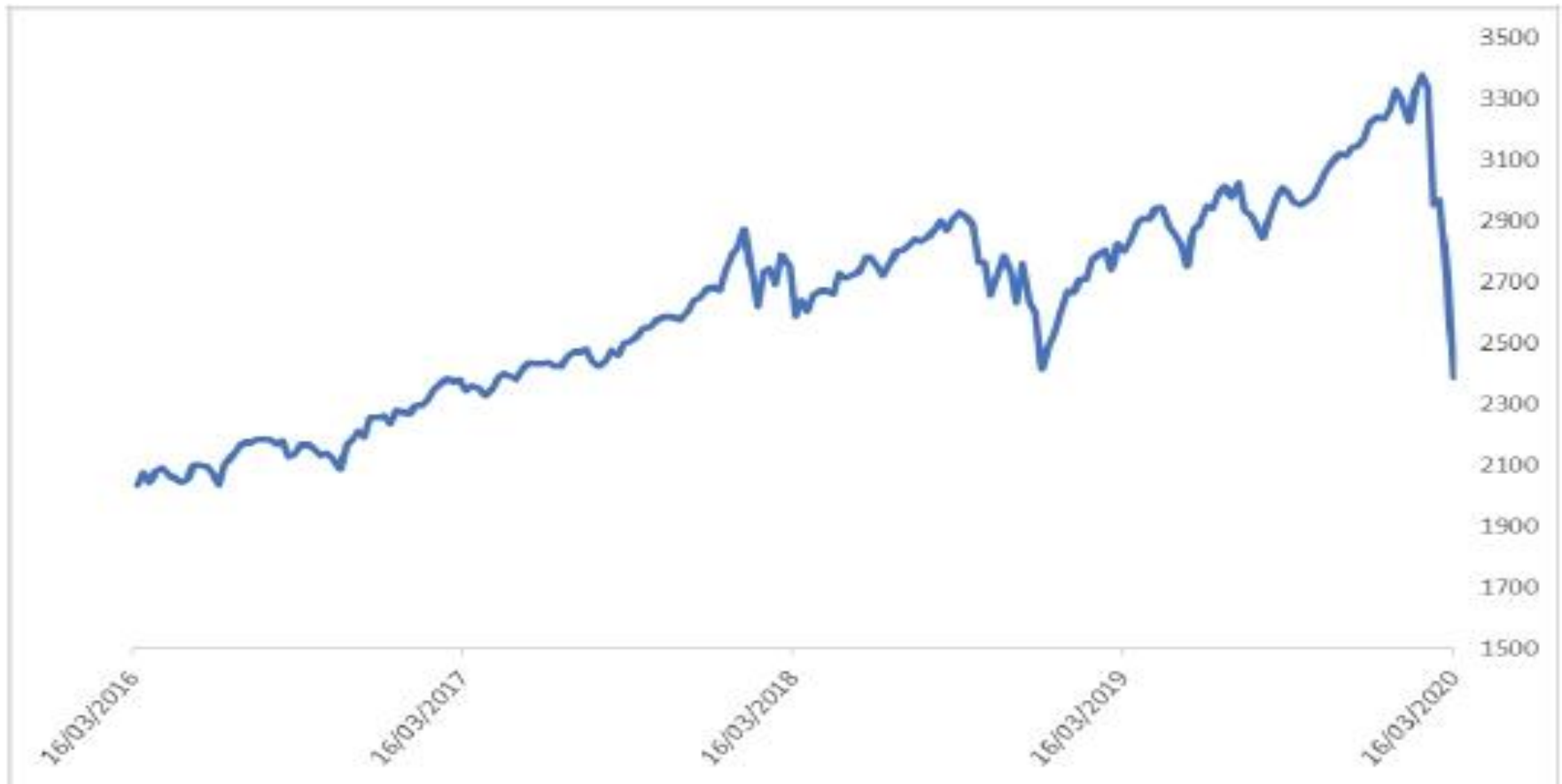
What we can learn from recent data

- » 2020 2Q will be worse than 1st Quarter:
 - » Most western countries are 2.5 months behind China in terms of the outbreak. They are also behind in terms of the implementation of corrective measures and it is doubtful whether the confinement efforts will be as successful as in China. India, Latin America and Africa will delve into the gap.
- » Industry variation: service hit hardest
- » Supply chains disrupted
- » Chinese economy impact

Stock market evidence

Stock markets collapsed in March 2020

S&P 500 performance over the last 4 years

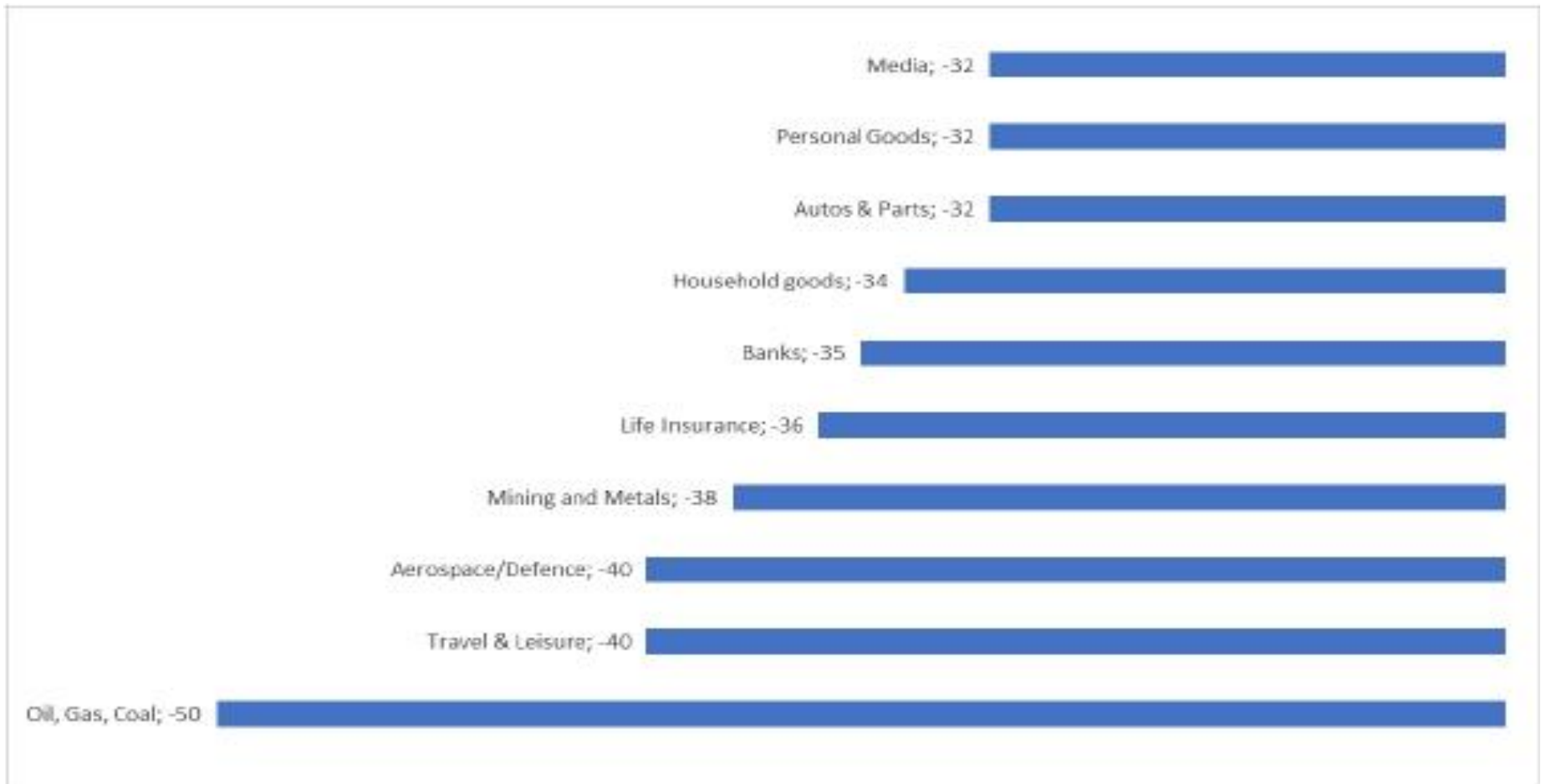


Source: Reuters Eikon

Stock market evidence

No sector is left untouched

World stock markets: different sectors returns in 2020

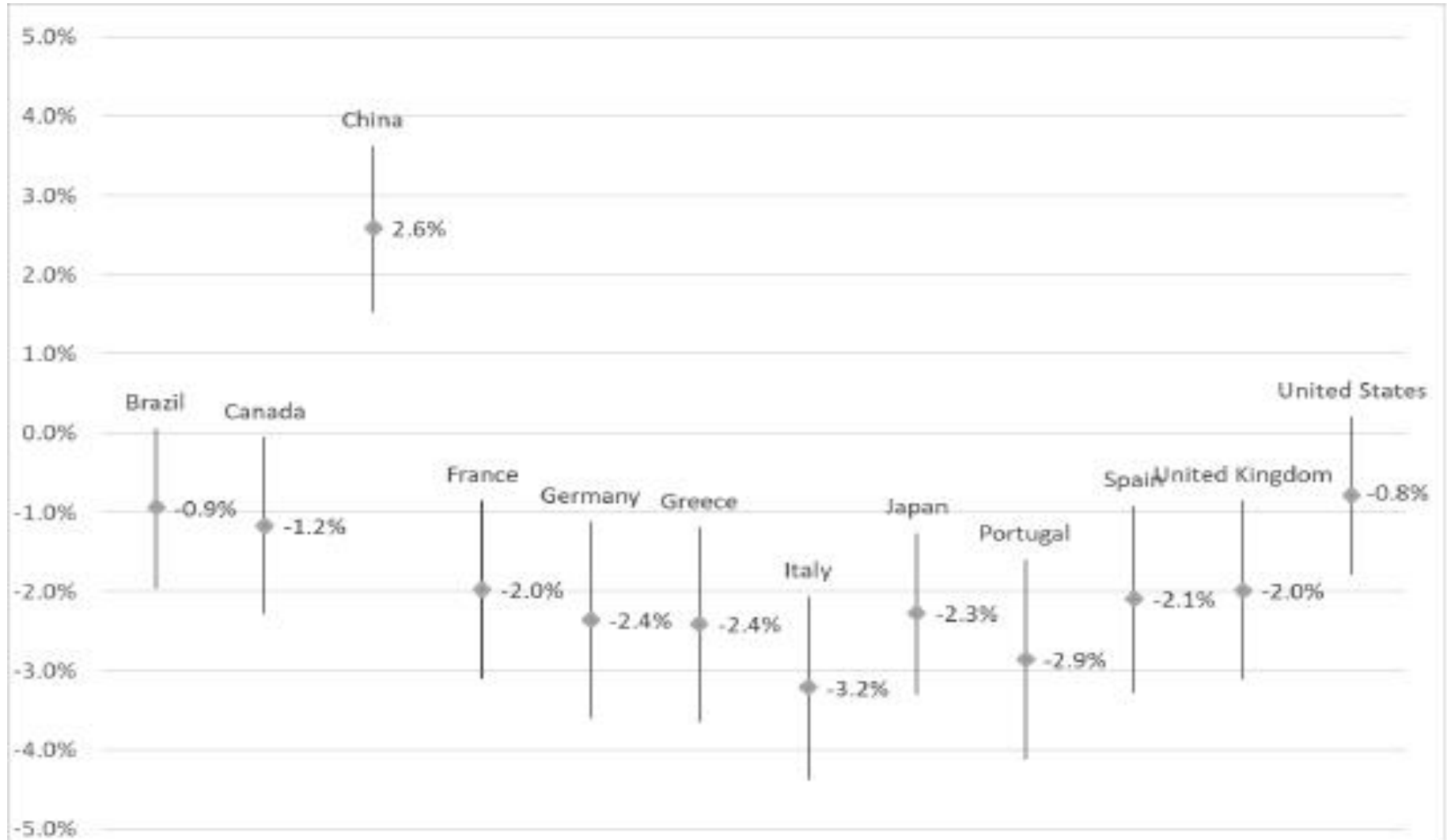


Source: Reuters Eikon

Key assumptions in the forecasts

- » In the present uncertain context is no historical benchmark that we can use directly. Indeed, no prior crisis has started like this: a health event, global, that influences supply and demand simultaneously;
- » Yearly GDP of a country is split, ignoring seasonality into months; we then need assumptions as to the duration of the current shutdown of economic activity:
 - » That is more or less the duration of the toughest control measures in China. It is assumed that May will be a starting point as recovery month (shutdown assumed mid-April till end-May) for most part of European Countries (Southern EU with high tourism activities dependence may will start on June). Americas, Russia, India the duration of the current crisis is much more unknown.
- » Covid-19 mild scenario
- » Covid-19 severe scenario
- » Estimated GDP growth for different countries

Estimated GDP growth in 2020: 1,5 month scenario



Source: IESE Business School, Navarra University Prof. N. Fernandez "Economic effects of coronavirus outbreak (COVID-19) on the World Economy. March 2020

Estimated GDP growth in 2020: shutdown 3 month scenario (meaning till July 2020)

	Growth in GDP	confidence margin
Brazil	-4.0%	[from -5.9% to -2.1%]
Canada	-4.3%	[from -6.4% to -2.2%]
China	-0.6%	[from -2.6% to 1.4%]
France	-5.2%	[from -7.4% to -3.1%]
Germany	-5.9%	[from -8.2% to -3.6%]
Greece	-6.5%	[from -8.7% to -4.3%]
Italy	-6.8%	[from -9.0% to -4.7%]
Japan	-5.2%	[from -7.2% to -3.2%]
Portugal	-6.9%	[from -9.2% to -4.6%]
Spain	-5.8%	[from -8.0% to -3.6%]
United Kingdom	-5.4%	[from -7.5% to -3.3%]
United States	-3.8%	[from -5.7% to -1.9%]

Source: IESE Business School, Navarra University Prof. N. Fernandez "Economic effects of coronavirus outbreak (COVID-19) on the World Economy. March 2020

What lies ahead.....

- » A global recession now seems inevitable. But how deep and long the downturn will be depends on the success of measures taken to prevent the spread of Covid-19;
- » Specially the effects of government policies to alleviate liquidity problems in SME's, to support families under financial distress, and to secure jobs. It also depends upon how companies react and how long the current lockdowns will last. Supply chains are also critical;
- » The economic costs of a recession are unequally distributed. We already know many of the most affected sectors. Also, based on prior crises, it seems that younger and less educated workers will, unfortunately, be more likely to lose their jobs;
- » No one can accurately predict the final financial damage from COVID-19. This obviously depends on timing, the severity of the pandemic into future weeks/months, and countries' policy responses;
- » Covid-19 vaccine mount, which would be welcome news. If the ongoing crisis lasts until the end of the summer, the global economy faces the gravest threat seen in the last two centuries.

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What are we doing

Jesus Martinez Almela, IPMA President

What are we doing-1

- » The Covid-19 crisis will provoke both ideological and economic earthquakes: we are moving towards a new horizon;
- » It is time to show that we are what we say at IPMA: proud to be part of the IPMA Family, a family of professionals who build relationships for life, far beyond institutional relationships ready to tackle difficult challenges of the future;
- » The IPMA Executive Board is working on different scenarios to contribute to mentioned challenges:

What are we doing-2

- » 1. We have started with activities aimed at digitalizing the requirements of the different professional certification schemes, we sent the detailed information to our MAs and CBs via CVMB newsletter. We shared the solutions and ideas as regards the certification (pilot project for digitization exams on going), validation and ICA's. There is a webinar dedicated to those areas confirmed to be held next Tuesday April 7th ;
- » 2. We have extended deadlines for applications to the global Project Excellence and Individual Awards. You can read more about those processes in latest Newsletter;
- » 3. We will proceed with our online activities and also increase the level and content of our communication. You may ready about IPMA Best Practices already now in our news and blogs sections.

What are we doing-3

- » 4. We are finalizing a monthly schedule of webinars on different remits and topics, next week we will share the agenda and content;
- » 5. ExBo meets every 15 days virtually following closely the crisis evolution and trends;
- » 6. ExBo adopt measures to contain expenses and investments in both: projects and operations, managing different scenarios;
- » 7. Under Membership KAMM's are permanently at your disposal as I shared in my Presidential Message: please make use of those ones;
- » 8. We are reinforcing our strategical activities accelerating alliances and cooperation agreements with Organizations, Institutions, other professional Associations and Global Companies as well.

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What else can we do

Jesus Martinez Almela, IPMA President

What else can we do?-1

- » Improving our Governance in Time of Crisis: as local (each MA), regional (Networks) as well in IPMA Global;
- » Focus on Strategy and delivering with clear rules and priorities (Joop he will focus later about Strategy 2024);
- » Avoid fragmented collaboration at all levels;
- » Competing priorities: improving income resources, promoting and supporting certification, E&T, SIG's, Awards;
- » Insufficient guidance on daily behaviors: people need a single source of truth that is clear, comprehensive, and easily accessible;

What else can we do?-2

- » Set up a war room: to ensure effective coordination;
- » Identify a crisis manager: ideally someone with experience managing emergencies;
- » Avoid over communication keeping trust:
 - » Sensitively take into account the psychological effects: poor communication leads to anxiety;
 - » Over communicate and tell the truth: people are smart enough to see through false optimism, transparency will reduce the anxiety.
- » Covid-19 pandemic is evolving worldwide and all of us will be forced to make decisions, we should monitoring evolutions, sharing additional insights as the crisis unfolds.

**Looking forward seeing you all again!,
stay care and healthy please**



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Jesus Martinez Almela, IPMA President

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