Near term: questionable forecast reliability
Consensus forecast range widened dramatically in April

2020 Real U.S. GDP Growth

Date of Forecast

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Acceleration of mega trends

Conversion to e-commerce
• E-commerce share of US retail sales (ex cars and gasoline) was 12.8% in Q4 of 2019 and in January 2020, forecast to reach a 30% share by 2030. It is possible that in the last two months the e-commerce share already exceeded 30%.
• More groceries purchased online in the last few months is expected to become permanent change going forward

More strategic and safety inventory
• Less tolerance for stock-outs (Just In Case inventory)
• More inventory to offset supply chain risk (Safety stock)

Automation and 3D Printing
• 3-D printing helped the response to PPE supply shortages
• Automation and 3D Printing will lower manufacturing costs and allow workers to maintain safe distance

On-shoring, Re-shoring and/or Near-shoring
• Critical industries
• De-risking global supply chains
• Low cost raw materials, automation, lower tax rates make the US an increasingly competitive location for manufacturing
• Expect US exports to increase to countries that wish to maintain access to US markets

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