World Economic Overview:

- Global Growth down to 3.2% for 2020
- Biggest adversaries for growth – China/US trade war, New NAFTA not done, Brexit
  - Global slowdown
    - China slowed down faster than expected
    - Weaker Performances from Latin America than expected
- United States
  - Tax policy is expected to continue stimulating the economy thru 2019
  - 2020 is predicted down without the tax stimulus and federal overshoot neutral interest rate
- Advanced Economies
  - Continue to decrease, but expect uptick from previous predictions
  - Germany manufacturing is down
  - France and Italy are down
  - UK predictions are based on a smooth transition with Brexit, except no plan is in place yet
  - Japan also predicted to fall
- Emerging and Developing Economies
  - Asia on a whole is down because US/China trade war affecting the entire continent
  - Developing Europe (East Europe) – wage growth and domestic demand increasing
  - Latin America keeps getting worse than predicted
    - Brazil worse than expected
    - Argentina high inflation rate
    - Venezuela expected to contract by 35%
    - Mexico is surprisingly weak
      - It was originally expected to lift other Latin American economies
  - Middle East/North Africa predicted to subdue growth
    - Contributors are low oil prices, sanctions on Iran, and geopolitical tensions
    - India – massive growth predicted at 7.20% for 2020
- Over the weekend there was a drone attack on Saudi Arabia
  - Affected an area responsible for 5% of the global supply of oil
  - Oil was up 15% today because of the attack
  - Saudi Arabia does have oil reserves to help mitigate price increase until area is fixed

Free Discussion

- Insight on China tariffs & trade talks
  - Articles from G7 indicate positive outlook for deal with continued talks expected
  - Generator companies are most commonly dealing with the tariffs by switching supply chains
  - Biggest issue with China is stealing trade secrets and manufacturing almost identical knockoffs
    - Multiple people in the committee had run-ins with counterfeit generators
    - Nothing can really be done about the issue
Consensus is China needs the US more than US needs China
  - China has already adjusted currency twice this year and there is no more room for future adjustments
- On top of everything else there is the Hong Kong protests

- New NAFTA
  - This deal could impact the generator sector more because of how many plants are in Mexico

- Nigeria
  - Nigeria accounts for 20% of the population of Africa
  - Densely populated region with bad electricity
    - Many scams and nonpayment for goods come from Nigeria
  - Need a local partner to do business and get paid in this country

India: Market for Opportunities
- Country Profile
  - 2nd largest nation, predicted to overtake China in population by 2030
  - 28 states and 9 territories
  - Democracy with 900 million voters
    - States and Federal government work similarly to the US government, but it is modeled after the UK system
    - Prime Minister is voted on by the people & Parliament selects a President
    - Lower house & upper house pass a bill and the President signs it into a law
    - Norendra Modi is currently the Prime Minister
      - Next week he will visit the US and meet with Trump
  - GDP at $9.5 trillion
    - Growth 6.5% in 2018 and down to 5.5% in June 2019
    - 1 USD = 71 Rupees
    - Government implementing changes to drive economy

- India-US Trade
  - 0 tariffs trade from India, 10% tariffs to India with 15% on engines
  - India must buy fuel from the US
    - Little to no natural resources for fossil fuels
    - No fracking in India
    - India buys liquified nitro gas from the US

- Power Scenario
  - Power deficit until recently
  - 54% comes from coal, 22% reusable (solar, wind, and tidal), 12% Hydro, 7% gas
    - Solar power is the most widely used because of India’s tropical climate
    - Since signing the Paris agreement, India is committed to decrease coal use
    - Not part of nuclear supply group, hope to grow in the future (2% currently)
  - Diesel generators are popular in India

- Generator Set Market
  - 100,100 sold in 2016, 129,250 sold in 2018
  - Market is at about $1.6 billion
    - Still behind the US market at $2.2 billion
  - Most generators are now standby because of infrastructure improvements and power distribution

- Generator Set Market Segments
Biggest 4 markets:
  - 26% telecom (volatile market), 13% infrastructures, 9% service – education, 8% service – hospitality
  - DC generators are not popular

Generator Set Market Shares
  - All big players in India have manufacturing plants in India
  - Over 900 dealers

Other comments
  - Genset market is supported by the government
  - Export council funded by the government and there’s no sales tax when country buys products from India
  - India embassy in Africa is very active for trade and commerce

Merging Committees with Market Trends
  - Discussion on pros and cons of merging the committees
  - Many pros, cons, and other options discussed, but it did not go to vote
    - Idea of merging could be very helpful in overall discussions
    - Information might be too much for a 2-hour meeting
    - An overview of US and international trends would be helpful for all
    - Breaking up into smaller meetings
      - Gets away from the committee feel
      - Beneficial for people to focus on topics that are pertinent to them
    - Too many committee choices right now, could be better to condense
    - An agenda that people could come in and out topics
      - Could increase attendance
      - Could be distracting for presenter