

# Here's When Bill Gates Predicts We Can Reopen the Economy

We can follow China's success, but need to execute social distancing and ramp up testing.

[Billy Duberstein](#) Mar 23, 2020 at 9:20AM

The COVID-19 news coming from the U.S. and Europe is no doubt distressing, but it's important to keep a level head. Cases have risen sharply across the country, prompting the Trump administration to send the national guard to hardest-hit states of New York, California, and Washington state. Ohio and Louisiana recently announced their own stay-at-home orders. Senator Rand Paul became the first member of Congress to be diagnosed with COVID-19.

As much of the country goes on lockdown, there's a lot of uncertainty as to how long much of the American population will need to keep a social distance or hunker down in their homes, which will come with both social and economic consequences. While Congress may pass some sort of relief package soon, Republicans and Democrats are still negotiating the details of how much money will go to what entities.

However, if the experiences of China and South Korea are any guide, there may come a point when the number of U.S. cases comes down and the economy will be able to open up once again. Gates foundation founder Bill Gates thinks we can get back to normal in about six to 10 weeks, if we do everything right. Here's how.



IMAGE SOURCE: GETTY IMAGES.

## No new native cases in China for four days

While the numbers of infection in the U.S. and Europe continue to climb, China has basically eliminated the virus from the country. China began its lockdown of the city of Wuhan -- in which 11 million people in Wuhan and the Hubei province were ordered to stay inside and not leave the city -- on Jan. 23.

On March 19, nearly two months to the day, China reported no new native cases in the country for the first time. That's not to say that there weren't any cases in China, or that existing cases don't continue to result in deaths. China reported 34 new cases March 19; however, *all* of these cases had been imported from abroad.

In a promising streak thus far, China has reported no new domestically transmitted cases in each of the four reported days since.

## When will cases peak here?

In China, daily new cases peaked on Feb. 4 at around 3,900, with the exception of a huge spike on Feb. 12, when China changed its reporting criteria to include previously undiagnosed cases of pneumonia. If we take Feb. 4 as the real "peak" in China, that means new daily cases in the U.S. should also peak about two to three weeks after the severe lockdown we have just implemented in several U.S. cities last week. Since the U.S. response is a bit messier than China's, it may take a bit longer.

After the peak in China, daily cases still remained high, but gradually declined for another two to three weeks until late February, when the daily numbers fell to a few hundred per day, before dwindling to very low numbers starting in March for the next three weeks.

## Newly Infected vs. Newly Recovered in China

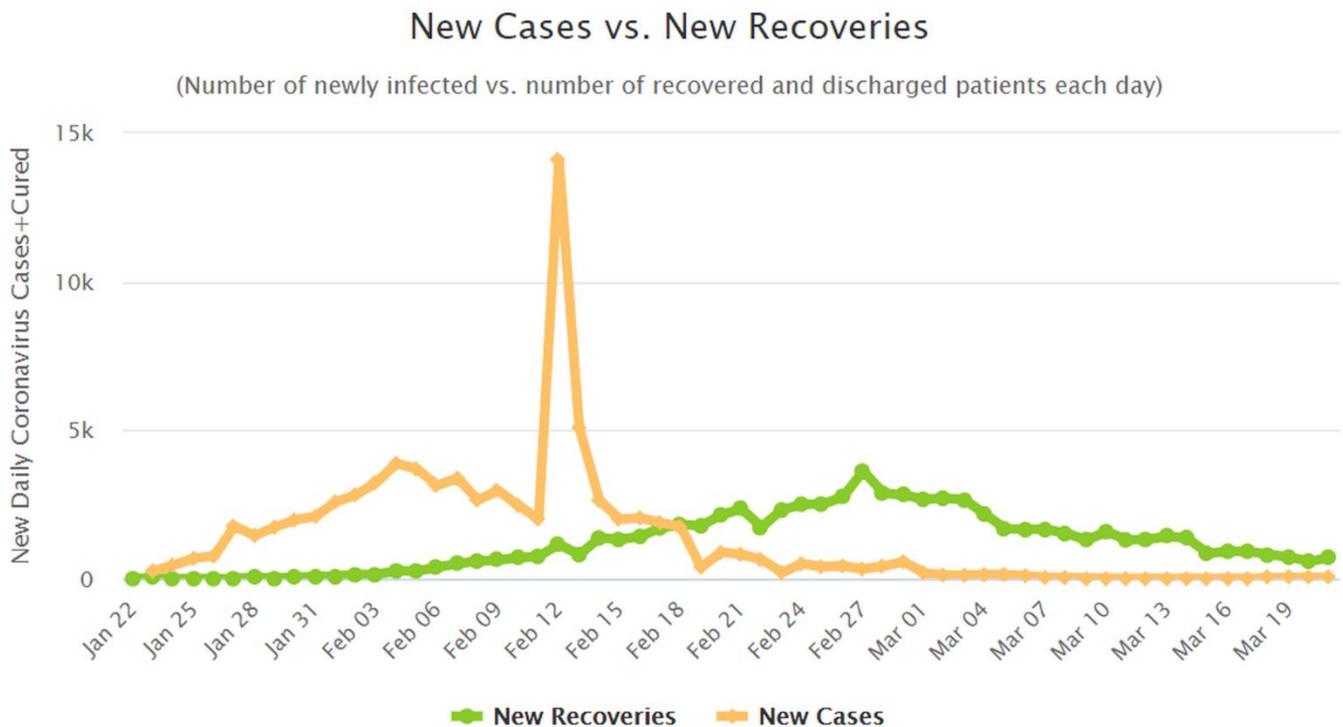


IMAGE SOURCE: WORLDMETERS.

While the U.S. is obviously a much larger area than Wuhan, China, and the response may be a bit messier, the U.S. should be able to get their cases down with enough social distancing and patience.

## Bill Gates agrees

Last week, [Bill Gates](#) conducted a Q&A on the internet message board site Reddit. A full transcript is [available here](#). He agrees that the U.S. can follow the same course as China, provided the population practices social distancing, and the government is able to test on a much wider scale than it has been able to do to date.

One questioner asked Gates if he agreed with an [Imperial College study](#) in London, England, that predicted that with social distancing, 1 million to 1.2 million Americans could die, but if the economy is "suppressed," or shut down, the death toll would only reach a few thousand in the U.S.

Gates thought that was a bit too dire, saying:

Fortunately, it appears the parameters used in that model were too negative. The experience in China is the most critical data we have. They did their "shut down" and were able to reduce the number of cases. They are testing widely so they see rebounds immediately and so far there have not been a lot. They avoided widespread infection. The Imperial model does not match this experience. Models are only as good as the assumptions put into them.

Another questioner asked Gates about a [New York Times article](#) that detailed a government report warning of "multiple waves" of the disease over the next 18 months. Fortunately, Gates also thinks the experience from China and South Korea is more optimistic than those projections:

"That article is based on a set of assumptions derived from Influenza and it doesn't match what has happened in China or even South Korea," he said. "So we need to be humble about what we know but it does appear that social distancing with testing can get the cases down to low levels."

Other highlights from the interview include:

- Therapeutics could be ready before a vaccine, which most think are 18 months away. Gates also said it's possible to get a vaccine to healthcare workers in perhaps a shorter amount of time than the general population.
- Once this happens, Gates predicts people will get digital certificates in order to show who has gotten a vaccine.
- Widespread testing and a national database of cases will be crucial to preventing the spread, as well as any rebound once the economy opens back up, according to Gates.

## The question on most investors' minds: How long will it be?

When asked by one questioner the simple question, "how long will this go on?" Gates replied:

This will vary a lot by country. China is seeing very few cases now because their testing and "shut down" was very effective. If a country does a good job with testing and "shut down" then within 6-10 weeks they should see very few cases and be able to open back up.

The reason testing is so crucial is so that people who seem healthy but test positive can then self-isolate, limiting the spread of the disease. This has been crucial in countries that have done a much better job of testing than the U.S., such as China, South Korea, Hong Kong, Taiwan, and Thailand.

## Reasons for hope

For those nervous about both their health and the plunging stock market, it's important to remember that it is within our power to stop the crisis. However, that is by no means assured. The U.S. population will have to be disciplined about social distancing, and the government needs to get on the ball ramping up testing capability, which has been sorely lacking.

If we do that, the economy can open back up again probably in two months. And the closer we get to that point, the better the stock market will act. It is hard to know where the bottom of the market will occur, but it will probably occur around the time new cases peak in the U.S. and start declining. If the Chinese model is any guide, that could be two to three weeks after the lockdown. Until, then, be prepared for more distressing headlines.

Once we get to the point where the economy can begin to open up, the market may very well rise off of its current [recessionary levels](#). Investors should plan their current investment strategy accordingly.

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