

# Business

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## UAE's migrant workers fret over future

### Coronavirus crisis takes a heavy toll on Gulf economies

**DUBAI:** When Kapil left his Nepali village for an airport job packing cargo in the United Arab Emirates, he thought he was securing a future for himself and his family. But less than a year after arriving in the Middle East trade and tourism hub, he questions whether it was the right decision after learning there would be no work this month.

"I'm totally hopeless," said 29-year-old Kapil, whose wife and five-year-old son are in Nepal.

The coronavirus crisis has taken a heavy toll on the economies of the oil-rich Gulf, heavily reliant on low-paid foreign workers. They are the backbone of the Gulf economies, taking jobs in construction, services and transport, and are now facing the realities of the pandemic.

Reuters spoke to over 30 workers like Kapil in Dubai, Abu Dhabi and Sharjah, who all said they are now enduring hardship due to coronavirus. Many have racked up debt and would go hungry without the help of charities as they wait for work and to be paid. Some said they found little reason to stay without work and wanted to return to their home countries despite being owed months of wages; hundreds of thousands have already left. The treatment of migrant workers in the Gulf has come under greater scrutiny, with human rights groups saying conditions have deteriorated because of the pandemic.

In the UAE, most attractive because of the economic opportunities it offers, there is no social safety net for foreigners, who make up about 90 percent of the population. A laundry service worker from Cameroon told Reuters he had not been paid in months and was now selling fruit and vegetables on the street earning 30 to 40 dirhams a day (\$8-\$11).

The UAE government communication office did not respond to emailed questions about migrant worker welfare. In May, the UAE Foreign Minister Sheikh Abdullah bin Zayed Al-Nahyan said the Gulf state was committed to protecting the rights of all

workers, state news agency WAM reported.

#### Debts

Those in blue collar jobs are the most vulnerable. They are paid low wages, work long hours and often live in cramped dormitories that have been coronavirus hotbeds. Many also pay fees to recruiters in their home country, a practice common for low-paying jobs in the Gulf. Kapil, who said he paid a recruiter 175,000 Nepali rupees (\$1,450) for his UAE job, is not sure when he will work again. His



#### Blue collar jobs are the most vulnerable

employer told staff they would only be paid when they worked and it was unclear whether there would be any work next month, he said. Kapil said he had been earning around \$600 a month - six times more than his teacher salary in Nepal - working up to 12 hours a day, six days a week at the airport. He said not working had left him stressed and unable to provide for his wife, child and elderly parents in Nepal.

Kapil, who showed his employment contract and other documents to Reuters, asked that his full name not be published and his employer not identified over fears he could face repercussions. Arriving in the UAE last October, Kapil thought he would work at the airport for a few years before finding a better job, possibly using his teaching skills. Now he just



**DUBAI:** In this file photo, foreign workers wearing scarves to protect their faces, stand in line to board a bus transporting them to their workplace, during the novel coronavirus pandemic crisis, in Dubai. —AFP

hopes to work until the end of the year to pay back his loans. "The global economy is getting worse and it's affecting each and every business ... I think during this time it's hard to find any other job."

#### Unpaid wages

No official statistics of how many people have left the UAE are available. But at least 200,000 workers, mostly from India but also from Pakistan, the Philippines and Nepal, have left, according to their diplomatic missions. Sectors like construction and retail were struggling even before the crisis, which exacerbated hardship for workers already exposed to payment delays.

Mohammed Mubarak has not been paid for around 11 months for security work at a Dubai theme park. "The company doesn't know when they'll be able to pay us, and we are suffering," the Ghanaian said. Government coronavirus restrictions that forced many businesses to shutter for weeks began to ease in May. Shopping centers, water parks, bars and restaurants - all staffed by migrant workers - are once again open, raising hopes.

Zulfiqar, a Pakistani in Dubai for 12 years, sent his family home early in the outbreak but stayed on hoping for work, sharing a room and what cash he has with a dozen other unemployed men. "Things in Pakistan are also not good," he said. — Reuters

## Resurgent 'techlash' overshadows Silicon Valley earnings

**WASHINGTON:** Big Tech, its hands full with antitrust probes and complaints growing from activists and politicians, turns its attention to quarterly earnings in the coming days expected to show the growing power of Silicon Valley giants. The results may be overshadowed by the array of political and policy issues over privacy, data protection, liability and the dominant role of these companies in the economy.

Amid the coronavirus pandemic, Big Tech has offered a lifeline to consumers to stay connected and get needed goods and services. Tech firms "have built up some goodwill and people are thankful for these services," said Bob O'Donnell of Technalysis Research.

Big tech firms "were the only institutions that didn't seem to fail" during the pandemic, said Chris Meserole, deputy director of the Brookings Institution's Artificial Intelligence and Emerging Technology Initiative. A Brunswick Group survey of consumers in seven countries in May found 70 percent of Americans and 65 percent of Europeans agree that "technology companies have used their size and influence for good in the fight against COVID-19."

But at the same time, three in four of those surveyed said governments "should be more active in regulating technology companies." This is up 14 points in the US since 2018, and largely unchanged among Europeans. Big Tech has helped lift stock values, with the Nasdaq hitting several record highs; Amazon shares have nearly doubled from March lows while Apple and Alphabet have gains some 50 percent. Economist Ed Yardeni noted that six leading tech firms—Apple, Microsoft, Amazon, Google parent Alphabet, Facebook and Netflix—had a collective market value of \$6.5 trillion in early July, or a record 25 percent of the Standard & Poor's 500 largest companies.

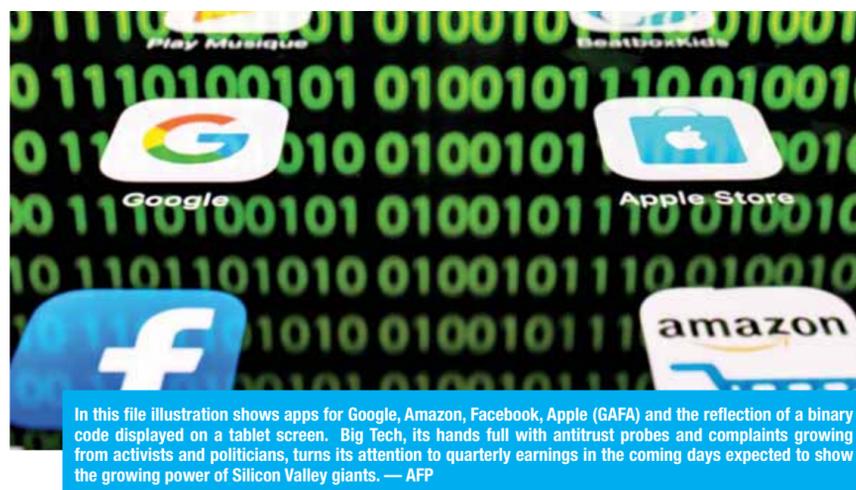
#### Profiting from crisis?

These Big Tech firms "are among the biggest

## Japan travel ban hits 85% of firms in Europe: Report

**TOKYO:** Japan's travel ban to stop the spread of the coronavirus has hit a majority of European firms in the country and could prompt those businesses to rethink their future in the world's third-largest economy, a European business lobby said yesterday.

Many countries have imposed travel curbs amid the pandemic but Japan's are among the most strict, effectively banning entry of tourists and visa holders coming from 129 countries. Even permanent res-



In this file illustration shows apps for Google, Amazon, Facebook, Apple (GAFA) and the reflection of a binary code displayed on a tablet screen. Big Tech, its hands full with antitrust probes and complaints growing from activists and politicians, turns its attention to quarterly earnings in the coming days expected to show the growing power of Silicon Valley giants. — AFP

beneficiaries of the economic upheaval caused by the (pandemic) and are likely to continue to benefit from its aftershocks well after the crisis is over," Yardeni said in a research note. "That's because their businesses are internet-based, so the more that people's work, education, and entertainment are home-based, the more these businesses thrive."

Quarterly results this week from Microsoft and next week from Amazon, Apple, Alphabet and Facebook will offer more clues on how the sector is faring in the pandemic. Amid a struggling economy, Amazon appears to have boosted its position in e-commerce while expanding cloud computing while Apple has been growing its range of services. Other tech giants appear to be largely weathering the crisis, and growing in some cases, even if Facebook is the target of a growing advertiser boycott seeking more aggressive action on hateful content.

#### Focus on Congress

The spotlight is likely to be on an unprecedented antitrust hearing Monday in Congress featuring the top executives of Apple, Amazon, Facebook and Google. Also looming are the outcomes of federal and state antitrust investigations into major tech platforms which could mean fresh legal battles.

Daniel Ives of Wedbush Securities sees "a poten-

idents are restricted entry unless they are granted an exception under humanitarian grounds, while in the United States and Europe, non-citizen residents are allowed to return.

A recent survey by the European Business Council of 376 members in Japan showed that 85 percent had been negatively impacted by the ban, with 44 percent reporting financial losses. The EBC said the travel restrictions run counter to international treaties. "This situation may also trigger some investment disputes against Japan," EBC president Michael Mroczek told reporters.

The way the ban was handled creates an air of unpredictability that may cause CEOs to "rethink their policy regarding Japan," he said. Japan allows its citizens to return to the country if they take a coronavirus test at the port of entry and observe a period of self-quarantine.

tially rocky road ahead" and that "the overhang of regulatory scrutiny remains a lingering worry" for Amazon, Google, Apple, and Facebook.

"Momentum is building in the Beltway on this hot button antitrust issue," Ives said in a note to clients.

#### More battles

Tech firms face additional pressure including the Trump administration's effort to enable law enforcement access to encrypted content and devices. Officials say better access is needed to fight crime and exploitation, but the companies argue that proposed measures could weaken online security for everyone. Trump and his allies have argued the big social platforms are biased against conservatives, despite his large following. At the same time activists have pressed the companies to be more aggressive in removing incendiary content and misinformation, including from Trump, and 1,000 advertisers have joined a "Stop Hate for Profit" boycott of Facebook.

Meserole said that because of its failure to take action on hateful content, "all the goodwill Facebook had built up in the immediate aftermath of the pandemic went out the window." He said firms such as Apple and Google have remained "good corporate citizens" during the crisis, noting efforts to improve technology for contact tracing. — AFP

Foreigners living in Japan face much higher hurdles for re-entry, such as demonstrating the need to visit dying relatives or be reunited with family in the country.

The EBC's remarks echoed those of the American Chamber of Commerce in Japan (ACCJ), which has decried the country's "double standard" in reentry requirements. Japan's Ministry of Foreign Affairs declined to comment on the EBC's claims. Immigration officials have said previously that they are considering ways to ease the ban but are prioritizing contagion controls.

Restrictions to contain the spread of the virus have already helped tip Japan's economy into its first recession in 4-1/2 years, as the country tries to stave off a second wave of infections which has brought total cases to more than 25,000 in the country. — Reuters

## Rich Russians fuel private jet demand to skirt lockdown

**MOSCOW:** For high-flying Russians used to spending summer holidays at Mediterranean resorts or in London penthouses, coronavirus restrictions that closed borders and grounded flights have made international travel a distant dream. Yet many of Russia's super-rich who hold second passports or residence permits abroad have discovered an elegant way of bypassing anti-virus measures to reach second homes in London, Cyprus, Monaco or Nice: private jets.

Privately-operated flights from Moscow's airports more than doubled between April and mid-June, the RBK business news portal reported in late June citing sources at two of Moscow's airports.

Soaring from 400 to 850 per month, a majority of the flights were bound for overseas, RBK reported. Russians skirting the restrictions have to provide evidence that the journey is a necessary work trip or is essential for health reasons, as part of a multi-layered approval process with aviation authorities.

For unlucky Russians who do not own a jet, a handful of companies that rent planes also offer to cut through the red tape of getting permission to fly from the nation's aviation authority, Rosaviatsia.

At the Moscow branch of jet rental agency Leading Charter Technologies (LTC), director Lev Shalayev dressed from head to toe in Gucci, is delighted at the increase in requests to "more than 50" per day. "Many people who used to fly business class are now our customers," he told AFP. He said popular destinations include luxury spots like Nice, Malaga, Alicante and Barcelona. Many clients are flocking to Cyprus, a favourite among Russians for business and leisure.

"Right now, most of our travellers are going on vacation," he said. In planes that seat up to 13, the price of a ticket can start at 4,000 euros (\$4,575), he said. With borders closed, the only way to fly out of Russia is on board flagship carrier Aeroflot, which sells seats on irregular outbound flights returning stranded Russians from abroad. "Since June, Russians have been allowed to fly for medical reasons ... so some medical tourism is developing," said Russian aviation columnist Anastasiya Dagayeva. "For example, you can book a treatment at a Spanish clinic and fly to Spain."

Russian reality TV star and one-time presidential hopeful Ksenia Sobchak alluded to this workabout when she wrote on Instagram that her friends were escaping Russia for foreign seaside destinations. "My friends have already left, some on foreign passports, some due to 'medical needs,'" she said. — AFP