

## Business

# Singapore's migrant workers fear financial ruin after virus ordeal

## Jobs main concern of migrant workers as economy reopens

**SINGAPORE:** As Sharif Uddin contemplates leaving the cramped Singapore dormitory where he has spent weeks under coronavirus quarantine, fears about his future creep in. The 42-year-old Bangladeshi construction supervisor is one of thousands of low-income migrant workers trapped in packed bunk rooms that have been ravaged by the coronavirus, accounting for more than 90% of Singapore's 38,000 infections.

As Singapore began easing its lockdown measures this month, migrants like Uddin started to think about returning to the outside world, and whether a job would be available for him to help pay off his debts as Singapore braces for its deepest ever recession.

"The fear of losing jobs is worrying everyone at the moment," said Uddin, who sends the bulk of his wages to his family in Bangladesh and is still repaying loans taken to pay off his recruitment agent, like many of the South Asian migrant workers in Singapore.

For Singapore, the system of cheap, imported labor to do jobs in the construction, shipping, manufacturing and service industries works effectively. When times are good, it means jobs that locals usually shun can be filled, but when the economy is weak, it is easy to cut back on foreign workers. That leaves migrant workers like Uddin vulnerable and at real risk of being forced to return to their home country where employment opportunities are scarce. In interviews with more than a dozen workers in Singapore, many said while they were still being paid, they feared they would lose their jobs when the quarantine is lifted.

Uddin said Singapore was his "dream city" when he first arrived in 2008, but like many migrants he found most of his toil went towards paying family expenses and creditors, meaning he

saved very little.

He has worked on building Singapore's subway, says he writes poetry and hopes to one day open a bookshop back in Bangladesh's capital Dhaka. But already on his fourth job, he is still many years away from saving the money he needs. "The dreams of migrants ... don't get fulfilled very soon. It takes really long to chase them," Uddin said.

"As years pass — one year, two years, those initial big dreams and aspirations slowly start fading away."

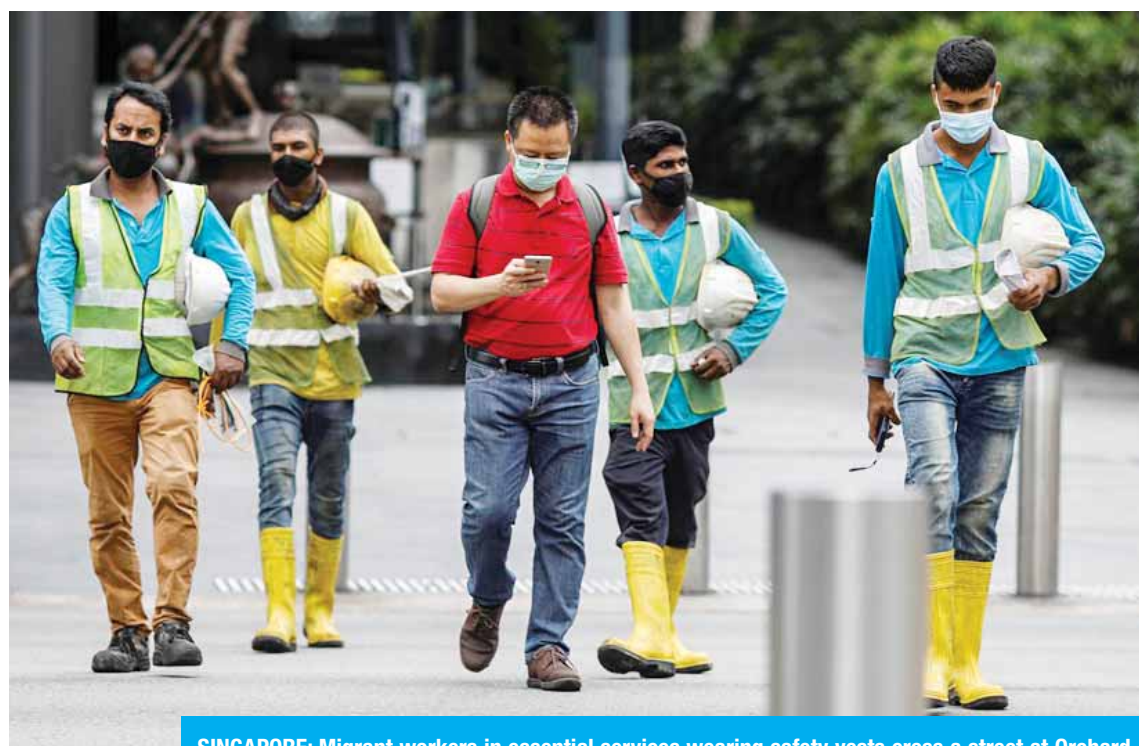
The Singapore government has waived foreign worker levies for companies to try and ensure migrants get paid while under quarantine and introduced measures to help laid off workers find new positions without having to first travel back to their home country, a core complaint of many laborers.

### Debt traps

Lawrence Wong, the co-head of Singapore's virus taskforce, told Reuters the government's waiving of levies and other steps have helped alleviate "major concerns" of workers around job security, but added that layoffs were possible given the grim economic outlook.

"The contractor may have a project today, but down the road will they still have projects? That depends on the economy. So many uncertain factors when it comes to job security," said Wong, who is also the minister for national development. He added that some workers may remain quarantined in their dormitories until August, or possibly beyond, as the government completes mass testing.

The pandemic has drawn attention to the stark inequalities in the modern city-state where more than 300,000 laborers from Bangladesh, India and China often live in rooms for 12 to 20 men, working jobs that pay as little as \$20 (\$14.30) a day.



**SINGAPORE:** Migrant workers in essential services wearing safety vests cross a street at Orchard Road in Singapore. —Reuters

That is higher than they would make at home. But the median salary for Singaporean employees in 2019 was \$4,563 per month, according to the manpower ministry. The bigger worry for many migrants like Uddin is the debts they have racked up securing jobs in Singapore.

Migrants will usually be charged \$7,000-10,000 in fees by a recruitment agent in their home country, equivalent to more than a year of their basic salary, according to rights groups. If they lose their job, this debt could haunt their families for years. "If there were no recruitment fees, that would solve almost all of these problems," said Deborah Fordyce, president of Singapore

NGO Transient Workers Count Too.

"Recruitment costs are what keep them in debt."

### Dreams sour

Wong, the minister, said the government will continue to work to improve migrants' lives in Singapore, but tackling issues like fees is difficult because many agents operate in the workers' home countries outside the city-state's jurisdiction. Singapore's government has pledged to improve living conditions for migrant workers in the short-term and build new, higher-spec dormitories over the coming years. —Reuters



### Many workers saddled with hefty debts

## Top international companies launch 'restarting together'

**MADRID:** Airbus BizLab, BASF, Boston Consulting Group, CEMEX, Citi, Endeavor, IDB Lab, IE, IESE Business School, Microsoft for Startups, South Summit and Telefonica announced the launch of Restarting Together, a global challenge that seeks to boost innovative projects after the impact of COVID-19. The initiative aims to promote projects developed by entrepreneurs and SMEs that will contribute both to speed up economic recovery after the effects of the pandemic, and create a more resilient society, with more effective and sustainable capabilities against future similar crises.

Through this joint initiative, this diverse group of industry leaders want to promote community engagement to build a better society.

The overall goal of Restarting Together is to find innovative projects that seek to expedite the return to normality after the confinement period caused by the COVID-19 pandemic. This initiative also looks to identify projects to boost economic recovery in a sustainable way, aimed specially at improving employment, revitalizing the ecosystem of small businesses, and creating networks and financial aid mechanisms for crisis situations. Likewise, the challenge encourages entrants to propose solutions that bolster cities' response for any type of crisis in the future, whether it be sanitary, economic or driven by environmental or climate change issues.

Interested participants can present their proposals from June 2 through June 30, 2020 by entering

[www.restartingtogether.com](http://www.restartingtogether.com). Proposals will be evaluated based on their projects' social and economic impact, feasibility, rapid implementation time, and degree of sustainability and innovation.

The nine most promising projects would be scheduled to participate in a digital Pitchday on September 9, 2020, where they would present their solution directly to the organizing companies' representatives, who would select three winners to share their vision with global leaders from the supporting companies. The three winners would enjoy the possibility of receiving access to corporate resources from the organizing companies, including potential acceleration or investment. Additionally, all proposals should be available for development, promotion, and implementation by all, or some, of the companies organizing Restarting Together.

## Pakistan's budget to target 2.3% economic growth

**ISLAMABAD:** Pakistan will target growth of 2.3 percent in fiscal year 2020-21, according to government officials and documents seen by Reuters that said the economic landscape would depend mainly on the country's ability to control the

## NBK digital solutions for fast services

**KUWAIT:** National Bank of Kuwait continues to provide its customers with the latest digital banking solutions to serve their needs anytime and anywhere through NBK Mobile Banking App, especially during the current circumstances of the coronavirus pandemic affecting the country and the world, while imposing strict precautionary and preventive measures.

The NBK Mobile Banking App has recently become the service of choice for customers, providing them with an easy and convenient way to make their transactions from home.

Given the precautionary measures and exceptional circumstances, NBK Mobile Banking App allows users to send and receive money and pay their bills in an easy and quick way through NBK Quick Pay and e-Payments. And due to the high demand for these two services, NBK has increased the maximum limit for transfers and bill payments through the two services to help customers conduct their banking transactions easily from the comfort of their homes.

## ECB prepares 'bad bank' plan for toxic debt

**LONDON/FRANKFURT:** European Central Bank officials are drawing up a scheme to cope with potentially hundreds of billions of euros of unpaid loans in the wake of the coronavirus outbreak, two people familiar with the matter told Reuters. The project, which comes as Europe mobilizes trillions of euros to bolster the region's economy, is aimed at shielding commercial banks from any second fallout from the crisis, if rising unemployment chokes off the income needed to repay loans. One of the people familiar with the plan said the ECB had set up a task force to look at the idea of a "bad bank" to warehouse unpaid euro debt and that work on the scheme had accelerated in recent weeks.

The ECB declined to comment on whether it was working on a bad bank

scheme. The amount of debt in the euro zone that is considered unlikely to ever be fully repaid already stands at more than half a trillion euros, including credit cards, car loans and mortgages, according to official statistics. That is set to rise as the COVID-19 outbreak squeezes borrowers and could even double to one trillion euros, weighing on already fragile banks and hindering new lending, the people familiar with the ECB plans said.

While the idea for a euro zone bad bank was discussed and shelved over two years ago, the ECB, under its new President Christine Lagarde, has consulted banks and EU officials about a scheme in recent weeks, one of the people said. As the euro zone's most powerful institution, ECB backing for the project is critical but it would also require the blessing of Germany, the bloc's biggest economy. Berlin has long opposed schemes that accept shared responsibility for debts in other countries although it recently had an unexpected change of heart, agreeing to pool EU borrowing for a coronavirus recovery fund.

One blueprint under discussion would

Commenting on this, Hala Al-Shoabi, Head of Digital Service Quality Management, National Bank of Kuwait said: "Enabling our customers to make their money transfers and pay for their bills through digital banking solutions has become increasingly important in the exceptional circumstances we are living in today. We, therefore, have ensured to develop services that meet the needs of our customers with the NBK Quick Pay and e-Payments, both available on NBK Mobile Banking App."

Al-Shoabi noted: "To provide the best service to our customers under the current circumstances and due to the high demand for NBK Quick Pay, being a quick and easy way for sending and receiving money, NBK has increased the maximum transfer limit through NBK Quick Pay to KD 5,000 per day, with a total of 10 transactions, and KD 10,000 per month. The bank has also increased e-Payments transactions daily limit from KD 250 to KD 500 with a total of 10 transactions, and the monthly limit from KD 500 to KD 1,000."

"Through NBK Mobile Banking App, our customers can also conduct various transactions with ease and convenience, including: money transfer (locally and internationally), adding beneficiaries, increasing monthly transfer limit, viewing account statements, and paying credit card dues, as well as buying and selling currencies, where customers can control all these transactions by themselves quickly and easily," she added.

Al-Shoabi affirmed that NBK is ready to offer all types of support to customers and to provide services that enable them to make banking transactions from the comfort of their homes, thanks to NBK's leading digital banking services and the success of its digital transformation strategy.

"We aim to provide an integrated banking experience to our customers while keeping their safety in mind under the current conditions, and we promise to provide them with the most advanced and safest digital banking services solutions," she concluded. NBK Quick Pay enables customers to send a request to receive money from any bank account at NBK or any other local accounts in a fast and convenient way. Customers can now send a payment link through the payer's WhatsApp, email or mobile number (SMS), to securely receive transfers 24/7.

Besides, e-Payments available on NBK Mobile Banking App is an easy and quick way to benefit from an array of advanced services that enable customers to shop and pay online at any time, such as making payments for telecom bills, iTunes, Google Play, Amazon, Apple Music, Skype and Spotify.



Hala Al-Shoabi



**KARACHI:** A woman rides on a motor bike as she wears a protective face mask amid the rush of people outside a market as the outbreak of the coronavirus disease (COVID-19) continues, in Karachi. —Reuters

involve the European Stability Mechanism, an EU institution which can provide financial assistance to euro zone countries or lenders, standing in as guarantor for the bad bank, the people said.

The bad bank would then issue bonds which commercial banks would buy in exchange for portfolios of unpaid loans, neutralizing the virus shock for Europe's lenders. —AFP

coronavirus pandemic.

Prime Minister Imran Khan's government is set to present its 2020-21 budget on Friday, in a parliamentary session that only 25 percent of lawmakers will attend due to pandemic restrictions. "The GDP growth for 2020-21 is targeted at 2.3 percent with contributions from agriculture (2.9 percent), industry (0.1 percent) and services (2.8 percent)," a planning commission working paper seen by Reuters said.

That forecast is much rosier than the 0.2 percent contraction in 2020-21 projected by the World Bank earlier in June. The multilateral lender sees growth

of -2.6 percent this fiscal year, ending June 30, while the government expects a 0.4 percent contraction. A recent surge in COVID-19 cases has made economists skeptical about a quick recovery in the South Asian nation. Khan said on Monday that the outbreak was not expected to hit its peak until July or August.

The planning commission paper projects an average inflation rate of 6.5 percent in 2020-21, a trade deficit of 7.1 percent of GDP and a current account deficit of 1.6 percent of GDP. Exports and imports are projected to grow at 1.5 percent and 1.1 percent, respectively.

Inflation hit a decade-high of 14.56 percent in January.

A budget strategy paper in March, just before the pandemic hit, had projected growth of 3 percent in 2020-21. The paper, seen by Reuters, foresaw spending of 7.6 trillion Pakistani rupees (\$46.76 billion) and a fiscal deficit of 6.9 percent of GDP—much lower than a current finance ministry projection of over 9 percent for 2019-20.

Of that, 3.235 trillion Pakistani rupees (\$19.90 billion) was earmarked for debt servicing and 1.402 trillion Pakistani rupees (\$8.63 billion) for defense—a rise of over 12 percent from last year. —Reuters