

STAYING ON TRACK WITH AGENDA 2030

POSSIBLE COLLABORATION WITH IOE AND UN MALDIVES DURING AND POST COVID-19 PANDEMIC



NFME

NATIONAL FEDERATION
OF MALDIVIAN EMPLOYERS

SPEAKER: MR. MOHAMED ALI JANAH, PRESIDENT - NFME

20 MAY 2020



Mr. Mohamed Ali Janah

Mr. Mohamed Ali Janah is the current President of National Federation of Maldivian Employers (NFME). He is also the President of Maldives National Association of Construction Industry (MNACI) and the 45th President of International Federation of Asian and Western Pacific Contractors' Association (IFAWPCA). He is a resort developer with over 30 years of experience and employing large number of employees both in construction and tourism sector. You can read more on www.maj-official.com.

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COVID-19 IN MALDIVES

The Current Industry and Economic
Situation





As of 19 May 2020:

(<https://covid19.health.gov.mv/dashboard/>)

- Active cases: 1046
- Recoveries: 91
- Deaths: 4
- 50.83% Bangladeshi
- 36.22% Maldivians
- 12.95% Other Nationalities
- Threat level IV (Red) in Male' city



Impact on Construction Industry

- Government continues currently active PSIP projects (MVR2.795billion)
- From the approved MVR10billion, the balance MVR7.2billion are temporarily on hold, a direct loss to the industry
- In addition to this, the industry is expected to lose a minimum of MVR617million in 3 months
- Except sensitive sites, all construction is on hold
- Construction has declined by 50% and will go further down
- Employers are struggling to pay wages and living costs



Brief Look at Impact on Other Industries

- All resorts closed with the borders closing on 27 March 2020
- Bed nights went down by 40% in April and almost nil by now
- Resorts are obligated to take austerity measures affecting the employees severely
- Boats, Safaris, Super Yachts and Yachts are idle, with no guests
- Restaurants and all food outlets are closed
- Essential food and deliveries only are open
- Fisheries is the only industry functioning right now, but even that is critically affected due to export restrictions



Impact on Maldivian Economy

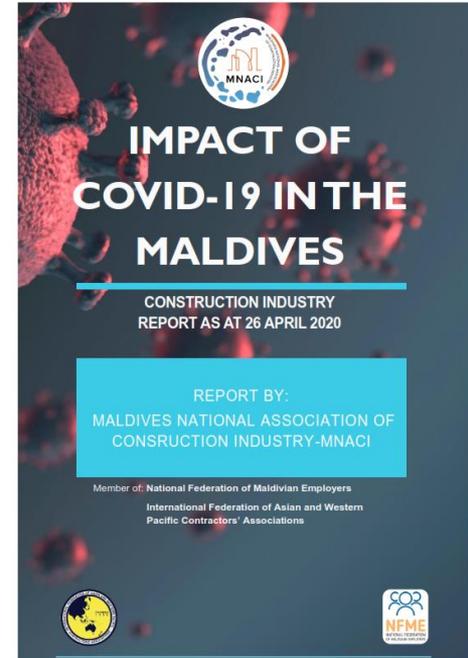
- Maldives expects the economy to fall by 11.5% in the year 2020.
- Anticipated budget for 2020 is expected to reduce by 49%.
- ADB assumes Maldives will lose a revenue of USD98 million-USD294 million (MVR1.51 billion-MVR4.53 billion), from best to worst case scenario.
- Government has taken several cost cutting measures that can reduce budget by about MVR7.7 billion.
- Ministry of Finance anticipates MVR1.493 billion to be incurred for health and disaster management.
- Ministry of Finance estimates the budget deficit to increase to MVR13.2 billion.

“ *World Bank study shows
Maldives to be the worst hit by
the pandemic in the region.*

The economy is expected to decline by
11.5% in 2020.

MNACI released a report on the Impact of Covid-19 on the Construction Industry of Maldives on 26 April 2020, which is available on:

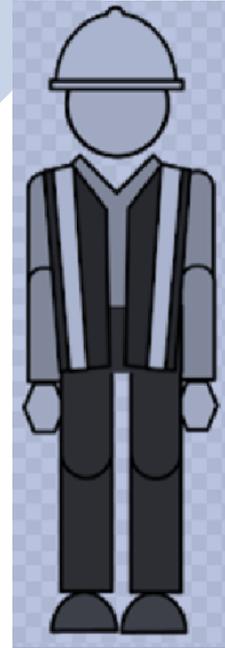
<http://mnaci.org.mv/downloads-section/category/7-covid-19>



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SITUATION OF PEOPLE

Employers and Employees





Employers

- With almost all modes of income on halt, employers are struggling to pay rents, wages and living costs of the staff
- They are forced to reduce salary or lay off staff
- More than half of the employers in construction sectors are on the verge of collapse, as most of the companies are SME's in the construction industry
- All resorts are non-operational and expect low income even if the borders open, and thus are obligated to resort to austerity measures
- Employers do not have enough PPE for the staff especially in the construction sites where many expatriates will be working together



Employees

- Construction industry employees 5,000-7,000 locals and 40,000-50,000 expatriates
- Private sectors have reduced staff and reduced wages of the remaining staff
- Government and SOEs also reduced salaries, except for the frontline service during the pandemic
- More than 1300 have registered in the Government Job Portal to have lost their jobs as a direct affect of the pandemic
- Government announced they will pay MVR5,000 for 3 months for those who register
- Government also announced they will pay anyone whose salary falls below MVR5,000 due to pandemic related revisions, the shortfall amount to reach MVR5,000 and those who register
- Although majority landlords reduced the rents, people are unable to manage their rents and expenses with the loss of jobs / part of the income

“ More than 1300 have already registered to have lost their jobs. Many more are expected to have not registered but affected.



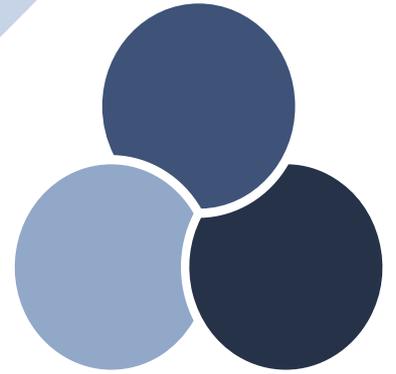
Expatriate Labour Force

- The construction industry employs the largest expatriate work force (40% of total expatriates in Maldives) which is about 40% of the Maldivian population.
- There are about 40,000-50,000 expat workers in this industry itself
- There are over 50,000 illegal migrant workers in Maldives
- They live in bulk and cramped accommodations, accommodation issue is critical in Maldives for not only expats, but the locals also
- Lot of workers are stuck without repatriation due to the closure of borders
- Many illegal workers are struggling to manage food and living
- Government is arranging temporary and permanent accommodation for the expatriate workers

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WHAT WE NEED RIGHT NOW

How can the Organisations work together





What can we do?

1. Collaborate to Run Awareness Campaigns

- We need to create awareness on how to navigate in the new norm
- Occupational Health and Safety have become more important than it was before, and this needs to be instilled in all industries
- So the most important thing would be to work on raising awareness in all industries and how to practice safety and health at the work sites
- We can engage in awareness programmes to be conducted together
- *MNACI has launched a Guideline to Combat Covid-19 at Construction Sites, published in 6 languages and conducted a training session for companies on 16 May 2020. We should follow suit by all industries.*

“ Our biggest priority must be enabling a **safe and healthy work environment** for all workers in all industries. And help them to navigate on this path.



What can we do?

2. Train and Elevate Skills

- The main reason why we depend heavily on foreign workers is lack of skilled Maldivians in certain sectors
- We must identify these sectors and fields and focus on training Maldivians to be prepared to recommence our industries and economy with better trained Maldivians
- Vocational, skilled and even basic training courses can be organised for Maldivians in collaboration with the related organisations



What can we do?

3. Management of Labour

- We need to work on management of foreign labour
- Assist the government authorities on the regularization / repatriation of illegal migrant workers
- Work on refining the immigration and quota systems to ensure transparency and accountability
- The system we have now is weak and need to strengthen it to ensure workers do not benefit from escaping their responsible employers



What can we do?

4. Enable Tripartite Dialogue

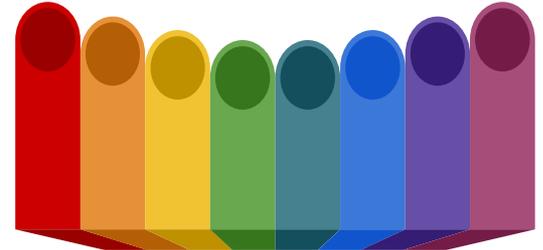
- ILO recognises NFME as the representative of Employers in their tripartite discussions but right now this is not happening
- Government needs to involve employers and employees in tripartite discussions and international organisations can insist on this
- Right now the rights of many employers and employees are lost
- Many have lost their jobs in the tourism industry but as of now this dialogue has not taken place

“ It is important to protect the rights of not only the Government but also **employers** AND **employees**.



What can we do?

When we do this, it will help take some forward steps towards the Agenda 2030. Right now the “People” and “Prosperity” under the Agenda are compromised heavily due to the global pandemic. Poverty and hunger are expected to rise. Economies are close to collapse. We must partner together to take the possible steps, even if they are baby steps, and contribute as much as possible.



THANK YOU

You are welcome to contact us on secretariat@nfme.mv for any assistance

