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File photo of construction workers in Dubai

INCLUSION

Indians Worry Over UAE Job Losses

The Coronavirus-hit Emirates has issued a decree to cut salary, lay off workers and also send them on either paid or unpaid leave



[Coronavirus](#) [States](#) [Our Journalists](#) [Write-In](#)

Indian migrant workers in the United Arab Emirates (UAE) are worried as the Emirates has allowed COVID-19-hit private sector to send their employees on paid or unpaid leave.

“We were expecting this to happen. I have decided to go back to India. During the economic downturn and at this age, people like me are not going to get a new job somewhere else too,” Sunil Nair, a 50-year-old senior manager in a retail company in Abu Dhabi, told *The Lede*.

The fresh UAE decree states that businesses hit by Coronavirus can implement a remote work system for their employees, send them on paid or unpaid leave and temporarily or permanently reduce their salaries.

“UAE is a global business hub. The majority of the migrant workers are into the business sector. And this is the sector that is going to be hit hard due to the global downturn of Coronavirus spread. There would be a massive lay off happening,” Sunil added.

According to Indian parliament data, there are 3.4 million Indians in UAE and the majority of them are low and mid-level workers.

The decision which comes into effect from March 26, also states that business houses can reduce their staff strength but that surplus staff must be registered in the ministry's virtual job market so that they can be hired by other companies.

Even though the decision makes it mandatory for companies to provide employees with accommodation and other dues, but not salaries, while they are made redundant, Sunil said that, “In simple words, it means that it is laying off of workers.”

Ramesh Kumar, a migrant worker in the construction sector, said that pay is going to be a lot more trouble.

“Already we have a backlog of two months' salary. Now this month's salary will also be delayed. We don't know whether they are going to cut our salary or not. We are a small company. And we will have to adjust. Being here is not going to help us anymore,” Ramesh said.

Meanwhile, a social worker in Abu Dhabi said that poor blue-collar workers and mid-level workers are the ones going to be affected by such restructurings.



[Coronavirus](#) [States](#) [Our Journalists](#) [Write-In](#)

who requested anonymity said.

On Sunday, business solutions provider Transguard Group announced that it will be reducing management staff salaries for the month of April for the express purpose of covering the cost of housing and feeding its over 12,000 site-based employees who are temporarily idle due to the changing market conditions forced by Coronavirus.

In an email sent to staff on Sunday evening, Managing Director Greg Ward explained that the reductions will be the equivalent to the cost of providing three meals per day for a month for over 12,000 employees in the company's multiple accommodations, a total of more than 900,000 meals.

"We are a people business, and if our employees can no longer work because their contracts have been paused or cancelled, it is our responsibility to continue to ensure their health and well-being," Ward explained in his email.

On Monday, the UAE announced 41 new cases of Coronavirus, raising the total number of confirmed cases in the country to 611. With two more deaths announced, the total death toll is now five in UAE.

Gulf Economy Hit

According to a fresh report from S&P Ratings, coronavirus will weigh on the economies of the Gulf Cooperation Council (GCC) region as weakening global demand drags down oil prices and hampers important industries such as tourism and real estate.

"As global financing conditions deteriorate, funding costs for more-leveraged borrowers are rising and investor appetite for less-creditworthy issuers could fade and the high level of uncertainty regarding the duration and eventual severity of the crisis will increase downside risks," the S&P Ratings says.

The rating agency says that the GCC's hospitality industry, which includes sectors like airlines, hotels, and retail, will see lower revenue because of decreased tourism and business flows, as travel aversion and restrictions bite during the peak tourism season.

"These factors will also reduce transit and outbound travel by visitors and residents respectively," the report reveals.



[Coronavirus](#) [States](#) [Our Journalists](#) [Write-In](#)

IN THE UAE, DUBAI RECEIVED 16.7 MILLION TOURISTS IN 2019 AND THE TOURISM SECTOR CONTRIBUTED 11.5% OF GDP AT YEAR-END.

Expo 2020 was expected to receive 25 million visitors in just six months. Officials anticipated that more than 70% would come from outside the UAE.

If the Coronavirus is not contained, visitor numbers will be lower than expected.

Migrants Should Not Be Ignored

Meanwhile, a group of migrant rights organisations and trade unions issued a joint statement alleging that the Coronavirus outbreak has demonstrated that no government was adequately prepared to deal with a health emergency of this scale and as governments scramble to find adequate responses to address the pandemic, they see that many migrant workers are the first to be left behind.

According to the statement issued by Migrant Forum in Asia, the Cross-Regional Center for Refugees and Migrants (CCRM), Pacificwin Pacific, and Solidarity Center, the Coronavirus pandemic, while largely an issue of health, is also an economic issue for migrant workers.

“Many will be at the receiving end of the most severe impact of economic recession. As major industries close down, migrant workers are among the first to be let go. We have received reports of many workers deported to their countries of origin while being denied their salaries and benefits,” the statement says.

“With many businesses closing down as a result of COVID-19, we call on governments to ensure that migrants who have lost their jobs receive their entitled salaries, wages, and benefits before they are sent home,” the statement adds.

The organisations have urged the destination country governments that migrants, regardless of their status, should have access to free screening and treatment for COVID-19 without fear of arrest and detention.

On March 28, *The Lede* had reported on how undocumented migrants are at greatest peril as they are denied access to healthcare.



[Coronavirus](#) [States](#) [Our Journalists](#) [Write-In](#)

Undocument Migrants At Greatest Peril As They Are Denied Access To Healthcare

And specific to countries of origin, the organisations have urged the governments to assist and help in the repatriation of migrant workers who are stranded in transit or countries of destination as countries start closing their borders due to the health crisis.

On March 02, *The Lede* had reported that there are around 1000 Indian fishermen stranded in coronavirus-hit Iran. Unfortunately, they have not been brought back home yet.