

Retirements, layoffs, labour force flight may leave scars on US economy

REUTERS

Judith Ramirez received a letter this month that she'd been dreading: The Honolulu hotel that furloughed her from a housekeeping job in March, during the lockdown triggered by the coronavirus pandemic, made her layoff permanent.

Ramirez, 40, was originally told she might be called back after business picked up. But infections increased in Hawaii over the summer and quarantine restrictions for visitors were extended, a blow to the state's tourism-dependent hotels.

Six months into the pandemic, evidence of longer-term damage to the US labor market is emerging, according to separate analyses of detailed monthly jobs data by labor economists and Reuters.

Retirements are drifting up, women aren't reengaging with the job market quickly, and "temporary" furloughs like Ramirez's are becoming permanent - trends that could weigh on the US economic recovery in the short term as well as the country's prospects in the long term.

Economic growth depends on how many people work. If more retire, or are kept from the job market because of childcare or health and safety issues, growth is slower.

"In the first few months of the recession we were much more focused on how many jobs could come back, how many jobs could be preserved," said Kathryn Anne Edwards, a labor economist at RAND Corp. "Now the question is really how much damage has this done."

The US economic drag is falling heavily on two groups, women here and older workers, who fueled here a rise in labor force participation prior to the pandemic. That supported stronger-than-expected economic growth in 2018 and 2019, and showed how a historically low unemployment rate drew people back into jobs.

Those workers may now be getting stranded. Women and workers aged 65 and older make up a disproportionate share of



REUTERS/FILE

People line up outside Kentucky Career Centre prior to its opening to find assistance with their unemployment claims in Frankfort, Kentucky, US.

the 3.7 million people no longer working or actively seeking a job since the pandemic hit, Labor Department data show.

People 65 and older made up less than 7 per cent of the workforce in February, but 17 per cent of those who have left the labor market through August. Women previously accounted for 47 per cent of the workforce, but make up 54 per cent of the departed.

Initial evidence of longer-term trouble is starting to show in the monthly Current Population Survey (CPS) that forms the basis of regular government employment reports.

After a spike in women leaving the labor force in the early months of the pandemic, particularly to tend to family responsibilities, there's been slower movement back into jobs compared to the months before the pandemic, according to an analysis of CPS data by Nick Bunker, economic research director for North

America at the Indeed Hiring Lab.

The percentage of women and men who moved from employed to out of the labor force jumped as the pandemic layoffs hit in April. The number of women, however, who cited child care or family responsibilities as the reason, increased 178 per cent, while the number of men citing it less than doubled, Bunker's analysis showed.

The percentage of those women moving in the other direction month to month - from caring for family into a job - meanwhile has dropped, to a low of 5 per cent in April from 6.6 per cent in 2019, though it rose to 5.8 per cent in July. It is lower for men too.

The data "suggests ... that being out of the labor force for family reasons is a 'stickier' state" than prior to the pandemic, Bunker said.

The Center for Retirement Research at Boston College found CPS data shows

a rising share of workers 65 and older are calling it quits, a development many economists expected given the risk COVID-19 poses to older people.

Nearly a fifth of that age group working as of July 2019 were retired as of July of this year, compared to 17 per cent for the prior year, the center's research concluded. The percentage of these workers who consider themselves "retired" instead of merely out of work also rose steadily in recent months, from 14.2 per cent in April to 19.5 per cent in June.

"It is something we expected might happen - that people who were close to retirement might transition earlier," said Anqi Chen, the center's assistant director for savings research.

The situation is rekindling debates from a decade ago about how unemployment can lead to long-term economic "scarring," but the specifics are different.

The 2007-2009 recession fell disproportionately on the male-dominated construction and manufacturing industries. The pandemic has caused more job losses in services concentrated among women, and brought the added complication of school closings and concerns about the safety of daycare centers and nursing homes.

The road back to employment may be getting harder, as suggested in the analysis of CPS data by Rand's Edwards. Of 7.6 million people "temporarily" laid off as of June, the number who had found jobs by July - 2.4 million - was eclipsed by the 2.8 million who either left the labor force altogether or said they were no longer expecting to get their jobs back. That's the first time in the pandemic that was the case.

Ramirez, the laid-off housekeeper, said she has been looking for a job, but not many places are hiring with travel sharply down from pre-pandemic levels and many retail stores closed. Some businesses say they have a list of furloughed employees waiting to be called back. "There's no hiring here," she said. "People don't know we are struggling."

S Korea, Samsung team up after Japan's export curb on chip material

REUTERS, Daejeon, South Korea

When the South Korea government unveiled an expanded semiconductor material testing facility last month, the centerpiece was a towering white machine given by Samsung Electronics at a fraction of its market price.

The facility, aimed at motivating local suppliers to make and test sophisticated chipmaking materials like photoresist, comes as South Korea pushes for self-sufficiency after Japan last year imposed export curbs on high-tech chip materials. here

While industry sources warn Korea has a long way to go to achieve this, the need for self-reliance in chip technology has become more critical with the outbreak of the coronavirus pandemic and US-China tensions threatening to accelerate supply chain shifts.

Large chip-making companies like Samsung would previously source the best components at the cheapest price "no matter where the material was from", said Lee Jo-won, president of the National Nanofab Center, home to the testing facility.

"But due to Japan's export curbs and COVID-19, they have begun to ... foster local suppliers and to create a system where they can be supplied without disruptions," Lee told Reuters at the centre in Daejeon city, 150 km (93.21 miles) south of Seoul.

The equipment that Samsung sold to the lab, the ArF immersion lithography machine made by ASML, will help local suppliers test chip material.

The machine, which the world's top memory-chip maker had been using in its production line, costs up to 100 billion won (\$84 million) when new, experts said.

A National Nanofab Center official said about 20 billion won had been budgeted to buy and refurbish the machine, without giving details on the final price.

"This would never have been imaginable in the past, to provide such an expensive device to a public lab," said Lee Jong-ho, a professor at Seoul National University.

"It took a decision from pretty high up."

Samsung has decided to invest in firms that need cooperation to develop next-generation chip technologies, a company spokesman told Reuters in an email.

It recently invested a total of about \$113 billion won in two local makers of chip components and testing equipment, S&S Tech Corp and YIK Corp, its first such investments in three years.

S&S makes mask blanks, a chipmaking component that is currently more than 90 per cent sourced from Japanese firms like Hoya 7741.T but not included in export curbs.

CPD backs renewable energy, not LNG, as alternative to coal

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Together with the existing and other renewable energy projects, a total of 6,331 MW of electricity could be generated by 2041. This amount of electricity would increase the share of renewable energy in the energy mix to 10.6 per cent by 2041.

Bangladesh wants to meet its entire electricity demand from renewable energy in 2050.

The government has less interest in investing in renewable energy projects, said the CPD.

Out of 36 projects, only eight projects are being implemented by the government and the rest 25 by the private sector.

The government should renegotiate with the Japan International Cooperation Agency for setting up renewable energy projects on the sites of coal-fired power plants as the development partner has provided loans for two coal-fired projects.

Similar negotiations should be made with China, Singapore, South Korea and India which have planned to set up coal-fired power projects.

When asked whether the country would incur a loss if it moves away from under construction coal-based plants where a huge amount of money has already been invested, Fahmida Khatun, executive director of the CPD, said: "When we talk about the environment and sustainable

development, we don't just keep in mind the interest of a single generation."

"We keep in mind the generations after generations. If an investment is made today that is polluting, all generations would bear the brunt."

So, one should not think that it would be a waste if they retract because the impact of today's investment on life, health and long-term economic development would be deeper, she said.

Mustafizur Rahman, a distinguished fellow of the CPD, said the government would not be able to do much about the coal-based power plants that are nearing completion, but it can take appropriate decisions about the future plants.

He said if the investments that are being made today are not of high quality, they would get stuck up.

"We have to plan now so that we can reduce the sunk cost because once these investments are made, we become hostage to them."

Rahman said fiscal incentives to bring in transformational change to renewable energy are very important.

"Policy support is very important to promote renewable energy. Here will come the question of powerful lobby groups and the political economy. We have to make the political economy right first in order to prepare strategies."

Nagad to make MFS account-opening faster for Grameenphone users

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On the back of the customer acquisition activities, Nagad's customers number crossed 2 crore in the first week of August.

Nagad is a joint venture between the Bangladesh Post Office and Third Wave Technologies. The postal department owns a 51 per cent stake.

Nagad's push for the market share came at a time when the segment is witnessing a phenomenal growth as an increasing number of people, businesses and government agencies are turning to the channel to avail digital services to keep the deadly coronavirus at bay.

Transactions through mobile financial services hit an all-time high of Tk 62,999 crore in July, Bangladesh Bank data showed.

The number of active accounts rose 27.46 per cent year-on-year to 4.27 crore in July. Registered clients total 9.26 crore.

In Bangladesh, there are 15 MFS operators providing mobile wallet service.

They are bKash of Brac Bank, Nagad of Bangladesh Postal Department, Rocket of Dutch-Bangla Bank, MYCash of Mercantile Bank, Islami Bank mCash, t-cash of Trust Bank, First Pay SureCash of First Security Islami Bank, U Cash of United Commercial Bank, OK Banking of One Bank, Rupali Bank SureCash, TeleCash of Southeast Bank, BCB SureCash of Bangladesh Commerce Bank, Jamuna Bank SureCash, Islamic Wallet of Al-Arafah Islami Bank, Spot Cash of Standard Bank and Meghna Bank Tap n Pay.

Insurance stocks on upward curve

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Many sponsors opted to neglect the order, prompting the BSEC to direct all listed companies in early July this year to ensure compliance within 45 days.

The insurance sector still lags behind in penetration so it has immense opportunities to grow, the stock broker added.

The DSEX, the benchmark index of the DSE, dropped 1.91 points, or 0.03 per cent, to 5,092 yesterday.

Turnover, another important indicator of the stock market, slumped 13.59 per cent to Tk 1,148.95 crore.

Of the total stocks, 143 advanced, 175 declined and 38 stayed unchanged,

according to the DSE data.

Beximco Pharmaceuticals took first position in the DSE's top turnover list trading worth Tk 34.36 crore in shares, followed by Brac Bank, Orion Infusion and Khulna Power.

Foreast Finance shed the most, falling 9.61 per cent, while Shyampur Sugar Mills, Intech, Union Capital and Khan Brothers PP Woven Bag Industries were also among the losers.

Elsewhere, Chittagong Stock Exchange endured a 4.83-point drop, or 0.55 per cent, in the CSCX index.

Out of a total of 272 stocks listed with the port city bourse, 114 advanced, 124 fell and 34 remained the same.

Exporters pin big hopes on Bhutan

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He said Bangladesh should demand duty-free benefits on exports to India under the South Asian Free Trade Area (SAFTA)'s Article 12 as New Delhi has extended such preferential treatment to all goods coming from the Maldives under the clause although the Island nation became a developing country in 2011.

The clause mainly guarantees zero-duty access to Indian markets even after the graduation.

India has already proposed to sign a Comprehensive Economic Partnership Agreement (CEPA) with Bangladesh.

However, the PRI research director prefers SAFTA's Article 12 to the CEPA as there is a precedent in the Maldives.

India is a very important and a big source for industrial raw materials and other basic commodities for Bangladesh.

The signing of the PTA with Bhutan will encourage Bangladesh to sign big deals with major trading partners in future, Razzaque said.

"I am hopeful of signing more free trade agreements and PTAs with some other potential trading partner countries within the next few years," said Tipu Munshi.

Mustafizur Rahman, a distinguished fellow of the Centre for Policy Dialogue, said once Bangladesh moves out of the LDC, the country's market access to many countries would come to an end.

"So, we will have to sign bilateral FTAs and CEPAs to deepen economic ties and secure preferential market access."

The trade economist said Bangladesh would gradually have to move from PTAs to more comprehensive FTAs and CEPAs.

"Bilateral relationship is not only about trade in goods. There should be CEPAs, which would include investment, logistics and trade in services apart from trade in goods."

Economic agreements being signed these days around the world are mostly CEPAs, Rahman said.

"Bangladesh's negotiating capacity has to be improved because deals would have to be signed with larger countries in the coming years."

Amazon to take 100,000 more workers in its latest hiring spree this year

REUTERS

Amazon.com Inc on Monday said it is recruiting 100,000 more workers - the fourth hiring spree it has announced for the United States this year - to keep pace with e-commerce demand that jumped during the pandemic.

The world's biggest online retailer said the positions are for full and part-time work in its home country and Canada, and these will include roles at 100 new warehouse and operations sites it is opening this month. The Seattle-based company employed 876,800 people as of June 30, excluding contractors and temporary personnel.

The news reflects Amazon's constant need

for labor to pick, pack and ship products to shoppers' doorsteps, with a 40 per cent revenue rise last quarter and the biggest profit in the retailer's 26-year-history. It is rolling out automation at its newest buildings at the same time, said Alicia Boler Davis, Amazon's vice president of global customer fulfillment.

"We will continue to deploy technology where appropriate, starting from a safety perspective" and "where we can improve our overall operation," Boler Davis said in an interview. She did not have comment on whether automation means fewer jobs per warehouse but said Amazon uses its systems for collaboration with people. "We don't look at it as an 'either/or.'"

Govt to import 1 lakh tonnes of onion soon

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September is the turning point because this is when the level of stocks starts receding, he said.

Last year, the TCB gradually imported 10,000 tonnes of onion starting from September to meet local demand. However, the state-owned agency had procured even more from local markets.

During that time, rich and influential local businesspeople were allowed to go for emergency imports while the TCB prepared to purchase those for sale in the local markets.

Last year, Bangladeshi consumers were compelled to give in to prices as high as Tk 250 per kg in the local markets due to an acute crisis resulting from India banning exports over the excuse of low production and crop damage for floods.

In the end, the government flew in imports to shorten the lead time to cool down the heat in the local markets.

The import cost per kg ended up reaching Tk 250, since airlines are a highly expensive option for carrying goods in a short time.

However, the government set the selling price at a subsidised rate to bring back

normalcy in the domestic markets.

The truck-based OMS will continue until harvests begin coming winter, according to a decision taken at the commerce ministry's taskforce meeting last week.

The meeting noted that as per market monitoring data, there was no reason for the sudden and abnormal price hike in the local markets, since there was an adequate stock and supply was normal.

A section of unscrupulous traders might have hiked the prices to do brisk business putting customers under strain which is a punishable crime, according to details of the meeting published in The Daily Star.

So the government will take tough action against traders found involved in artificially hiking prices in the local markets, the commerce ministry said in a statement.

The government also warned of stern action against persons involved in unlawful stockpiling with expectations of making a hefty profit. Profiteering by stockpiling or hoarding of essential commodities is also a punishable crime.

So the government has strengthened market monitoring so that the culprits are nabbed and punished, read the statement.

Dual role of drug makers

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Quality control during distribution is very important, especially in case of some temperature sensitive medications, otherwise their effectiveness will surely deteriorate, said Lucky Singha, head of business at Sanofi.

In this case, manufacturers are not responsible, rather the distribution system is, she noted.

She emphasised the need for pharmacies to maintain good practices, including ensuring preservation of medicines under required temperatures, to safeguard quality and effectiveness.

Public health specialist Tune Tehran conducted the webinar.

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Memo No: 2479		Date : 14/09/2020		
Invitation for e-Tender				
e-Tender is invited in the National e-GP System Portal (http://www.eprocure.gov.bd) for the procurement of following works given below.				
SL No.	Tender ID No	Invitation Reference No.	Name of Works.	Tender Closing Date & Time
1	493494	EGP/PATUA/2020-21/Rem. Female Barrack	Remaining work of Construction of 2nd and 3rd floor of Type-1 Female Barrack Building over existing 1st floor at Patuakali Police Line in/c Civil Sanitary and Electrification Works.	30/09/2020 12:30:00 P.M.
This is an online tender, where only e-Tenderers will be accepted in the national e-GP portal and no offline / hard copies will be accepted.				
To submit e-Tender, registration in the national e-GP system portal (http://www.eprocure.gov.bd) is required. Further information and guidelines are available in the National e-GP System Portal and form e-GP help desk (Email : helpdesk@eprocure.gov.bd)				
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