

Displaced workers of three sectors to get cash assistance

REJAU KARIM BYRON

The workers who lost their jobs due to the Covid-19 fallout across three sectors -- garments, leather and footwear -- are about to finally receive Tk 3,000 per month as financial assistance.

In the first phase, 1,794 people will get cash assistance of Tk 3,000 each month for a three-month period starting from September.

Begum Mannujan Sufian, state minister for labour and employment, inaugurated the social security programme for unemployed and hardworking workers in export-oriented garments, leather products and footwear at Shrama Bhaban in the capital's Bijoy Nagar area yesterday.

The grants are being financed by Germany and the EU.

The workers of export-oriented factories, which closed down, received financial assistance from this package and so the labour and employment ministry has sent a list of unemployed workers of the industrial units in these sectors for the grant as well.

According to the ministry, it submitted a list of 7,390 workers, of which 1,894 have been finalised, while selections are going on among the rest.

"But in the meantime, the financial aid meant for workers that have been made redundant by the current situation will continue to remain idle," Sufian said.

The government aims to disburse Tk 3,000 per month for



SK ENAMUL HAQ

Many workers lost their jobs due to the nationwide shutdown imposed to rein in the spread of the coronavirus disease while others were laid-off for a lack of work orders from international retailers and brands.

a three-month period to about 10 lakh workers over the next two fiscal years, according to last week's circular from the labour and employment ministry.

Beneficiaries will receive the funds directly through mobile financial services or their bank accounts, he added.

Any worker, including lactating mothers, who were employed in any active member factory of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA), Leathergoods and Footwear

Manufacturers and Exporters Association of Bangladesh (LFMEAB) and Bangladesh Finished Leather, Leathergoods and Footwear Manufacturers and Exporters Association (BFLFEA) up until February this year are eligible for the grant.

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Thought leadership broadcast soon for youth development

STAR BUSINESS DESK

A thought leadership broadcast series featuring interviews of this nation's builders and pioneers was recently launched to inspire the next generation of leaders.

Preronar Kotha' aims to bring out the stories of inspiration, success, learnings and challenges faced by people who played key roles in the nation's progress over the past 50 years.

It aspires to facilitate the many government initiatives on capitalising the demographic dividend and develop the youth, a statement said.

This will also support the fast tracking of Sustainable Development Goals (SDGs) by encouraging the youth to play a more proactive role in building the nation, it added.

Daily Samakal, The Daily Star and MGM Consulting have partnered with Prerona Foundation, which works for marginalised communities under the guiding principles of the SDGs, in this initiative.

All will simultaneously broadcast the digital conversations on their respective Facebook platforms.

The first of four episodes in season 1 will be aired shortly with the following ones to be broadcasted on a fortnight basis.

Four eminent personalities of the country whose contributions played a major role in driving the nation's economic activities since independence have been interviewed in season 1.

All the interviews conducted in this series will later be published in a book, which will be brought out next year, marking 50 years of the country's independence.

"The youth have been active in major national movements, including the

Language Movement and our Liberation War," said Jahangir Alam, director for administration and finance (joint secretary) of the Department of Youth Development.

"One third of our population is youth. So, it is essential to develop our youth population for the greater benefit of this nation," he said.

He also said the government has taken various proactive measures over the last few years for youth development.

"Over the decades, the youth have played a pivotal role in the development of this nation," said Mustafiz Shafi, editor (acting) of Daily Samakal.

"The success of our youth today is also astounding -- from business and politics, to arts and sports, the youth are making us proud with their achievements," he said.

"And now we need to create a collaborative platform to connect the vision of the nation builders with the aspirations of today's youths.

"We hope this platform will support the ongoing initiatives by the public, private and development sectors to inspire and nurture our youth..." said Shehzad Munim, vice chairman of the governing body of Prerona Foundation.

"...to become the leaders of tomorrow by imbuing them with the knowledge, vision and motivations of the builders of this nation," he said.

The virtual launching ceremony was joined by Mohammad Moinuddin Abdullah, managing director of Palli Karma-Sahayak Foundation, Osama Bin Noor, co-founder of Youth Opportunities, Niaz Morshed Elite, president of JCI Bangladesh, and Anowarul Amin, acting CEO of Prerona Foundation.

GLOBAL BUSINESS

Remittance resurgence no cure for sickly emerging economies

REUTERS, London

Larger-than-expected money transfers from migrants overseas have provided a tonic for several sickly economies during the coronavirus crisis, but the outlook for such flows remains fraught with uncertainty even as vaccines are rolled out.

Mexico, El Salvador, Kenya, Pakistan, Bangladesh, Philippines and Sri Lanka are among those enjoying resurgent flows in recent months, helping them narrow current account gaps, stabilise currencies and meet any overseas debt payments.

Such countries have led a surprise recovery in remittances in the second half of 2020, as the slowdown in flows amid the pandemic proved less severe than initially feared.

Migrants have cushioned the pandemic's economic blow, drawing down savings to help out families back home and sending more money via official channels rather than in person, while benefiting from access to state support, including cash handouts, in host countries such as the United States.

While vaccinations should help economic activity to return to normal, the risk of mounting job losses as government support unwinds mean such flows, a source of FX revenue and gross domestic product for many emerging countries, may falter in 2021.

Unemployment in wealthy G20 countries, home to a sizeable proportion of migrants, is expected to reach 10 per cent by the end of 2020 and remain above levels at the end of 2019 next

year, the OECD has forecast.

"Countries like Pakistan, Bangladesh and Philippines, which receive about 9 per cent or 10 per cent of GDP from remittances, have a window of opportunity to invest these flows into productive areas of the economy to help their recoveries because at some point this window may close as people may lose their jobs or decide to go back to their home countries," said Emre Akcakmak, portfolio manager at East Capital, a specialist in emerging and frontier markets.

Record flows to Pakistan have helped it accumulate a \$1.2 billion current account surplus at a time when it is paying back a \$3 billion loan to Saudi Arabia.

Strong remittances and subdued imports should help Sri Lanka to service its July Eurobond maturity, said Tellimer economist Patrick Curran. Beset with surging debt and collapsing tourism revenues, the island nation has been assessed at growing risk of default by rating agencies.

Mexico's currency depreciation has helped put the country on course for its largest current account surplus in more than 30 years, Goldman Sachs estimates.

Remittances are relatively stable compared with other financial flows. That includes foreign direct investment, which remittances overtook in 2019. Meanwhile portfolio flows, set to surge in the last quarter of 2020 to their highest since the first quarter of 2013, are prone to sharp reversals as they did during the taper tantrum.

But the outlook is uncertain.

The World Bank in October revised its 2020

estimated drop in flows to low- and middle-income countries to 7 per cent from 19.7 per cent previously, but predicted a further 7.5 per cent dip next year. That is a deeper and longer downturn than during the global financial crisis, when flows shrank 4.9 per cent in 2009, before rebounding 11.8 per cent a year later.

For the first time in recent history, the stock of international migrants is expected to fall in 2020. Those remaining in host countries face an uncertain future.

In the United States, in a reversal of pre-pandemic trends, the unemployment rate for immigrants was now 2 percentage points higher than the rate for natives, according to the OECD.

"We are expecting a strong recovery in global growth as vaccination is rolled out and we begin to see a normalisation in economic activity.

This should support global remittances," said Farouk Soussa, senior economist at Goldman Sachs.

"On the other hand, we think there have been a number of one-off factors that have held up remittances this year, and these may not come into play next year."

The Gulf, accounting for around 40 per cent of total outward remittances, may see a push to replace foreign workers with locals in 2021, Soussa said.

That be bad news for countries that rely on transfers from the Gulf, such as Bangladesh, Philippines, Egypt and Lebanon. Lebanon's financial crisis and dwindling economy mean remittances are seen rising to more than a third of GDP in 2020.

US Congress approves \$892b Covid-19 relief package



REUTERS/FILE

Speaker of the House Nancy Pelosi walks from the Senate floor as both chambers of Congress were aimed to pass the coronavirus disease package in a marathon session on Capitol Hill Washington.

REUTERS, Washington

The US Congress on Monday approved an \$892 billion coronavirus aid package, throwing a lifeline to the nation's pandemic-battered economy after months of inaction, while also keeping the federal government funded.

President Donald Trump is expected to sign the package into law.

Following days of furious negotiation, both legislative chambers worked deep into the night to pass the bill - worth about \$2.3 trillion including spending for the rest of the fiscal year - with the House of Representatives first approving it and the Senate following suit several hours later in a bipartisan 92-6 vote.

The virus relief bill includes \$600 payments to most Americans as well as additional payments to the millions of people thrown out of work during the COVID-19 pandemic, just as a larger round of benefits is due to expire on Saturday.

The stimulus package, the first congressionally approved aid since April, comes as the pandemic is accelerating in

the United States, infecting more than 214,000 people every day and slowing the economic recovery. More than 317,000 Americans have died.

House Speaker Nancy Pelosi, a Democrat, said she supported the virus relief bill even though it did not include the direct aid for state and local governments that Democrats had sought.

She said they would try for it again after Democratic President-elect Joe Biden takes office on Jan. 20.

"The bill, she said, "doesn't go all the way but it takes us down the path."

Republican Representative Hal Rogers, who also supported the package, said "it reflects a fair compromise."

At 5,593 pages, the wide-ranging bill that also spends \$1.4 trillion on an array of federal programs through the end of the fiscal year in September, is likely to be the final major piece of legislation for the 116th Congress that expires on Jan. 3. Congress included a measure continuing current levels of government spending for seven days, ensuring no interruption to federal operations.



REUTERS/FILE

People wearing protective face masks work at a residential construction site following the outbreak of coronavirus disease in Dubai, the United Arab Emirates.

Stocks recover on US stimulus

REUTERS, London

Stocks rebounded on Tuesday, with Washington's approval of an \$892 billion pandemic relief package helping them recover some of the losses caused by fears over a highly infectious new strain of COVID-19.

The Euro added 0.8 per cent, its biggest one-day jump in over five weeks in sight. German and French indexes added 1 per cent and 0.8 per cent respectively.

London's blue chips turned positive, too, recovering early losses even as Britain adjusts to strict lockdowns imposed to curb the spread of the new strain of coronavirus. Wall Street futures also edged into the black.

Fuelling the optimism, in part, was the US Congress's approval on Monday of a coronavirus aid package after months of

inaction.

The first such aid since April came as the pandemic accelerated in the United States, infecting more than 214,000 people every day and slowing the economic recovery. The bill includes \$600 payments to most Americans and additional payments to millions of people thrown out of work during the pandemic.

Market players also took stock of the damage from a new COVID-19 variant, with investors betting that vaccines would still be effective against the new strain.

On Monday, countries across the world shut their borders to Britain because of fears over the new strain, snarling one of Europe's most important trade routes just days before Britain is set to leave the European Union.