ITUC-AP COVID-19 Survey update

Global Supply Chains

ITUC - Asia Pacific

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Introduction

The COVID-19 outbreak has had a significant and growing impact on domestic and international supply chains in the Asian and Pacific region. The outbreak has led to a sharp economic slowdown, decline on export due to factories being temporarily closed or operating with reduced capacity, mass layoffs and furloughs across various sectors and industries. Amid the COVID-19 pandemic, garment, electronics and automotive manufacturing, retails, aviation, oil and gas, tourism and hospitality industries have been heavily affected by the pandemic in the region.

In East Asia, the novel Coronavirus has affected Hong Kong's tourism including aviation, retails and construction. In Japan, the export plunged nearly 22 per cent in April 2020, year-on-year, from 6.7 trillion yen to 5.2 trillion yen. Automotive, machinery, chemical and textile industries have been anguished. More than 1.02 million people have lost their jobs in Korea. Women workers were more agonised than men in various industries such as hospitality, health and welfare service, education, agriculture and fishery as well as the automotive industry, assembled vehicles and car parts. Mongolia had a significant drop in its foreign trade. The export drop is due to lower demand of minerals such as gold, copper concentrates, coal and the cashmere industry. Similarly, Taiwan, relying heavily on the export-oriented manufacturing sectors, seems to increasingly struggle in its economic sluggishness with growing uncertainty in the global economy. Social distancing measures and travel ban have affected the service sector including the aviation, retail, tourism, hospitality, and food and beverage businesses with more people being unemployed, furloughed or leaving the labour market.

In South East Asia, the outbreak has led to a halt of production in 91 garment factories and 91,500 garment workers have been laid off in Cambodia. In Indonesia, manufacturing sectors such as textile, clothing, footwear, electronics and automotive is more vulnerable given its high dependence on global supply chains as well as brands based in developed countries. Malaysian Central Bank has estimated job losses to increase to 629,000 in various sectors such as electronic manufacturing and tourism. As part of global supply chains, Myanmar garment have been hard hit by the pandemic. Over 60,000 factory workers across the country have lost their jobs due to factory shutdown, including those working in the garment factories that supply some of the world’s biggest fashion brands. In the Philippines, around 1.4 million were displaced due to temporary closures particularly in the export-oriented establishment such as automotive, electronics and business process outsourcing (BPO). Tourism and aviation are two business sectors that completely damaged by the COVID-19 outbreak in Thailand. The employer chose to force their employees to submit the letter of resignation, instead of paying 75% of wage if employer chose to temporarily closed or paying the compensation if employers chose to terminate their business.

In South Asia, Bangladesh’s readymade garment (RMG) had been strongly suffered even with several companies in the United States, U.K., and Europe cancelling orders that were placed before the COVID-19 outbreak. In India, labour-intensive sectors such as leather, gems and jewellery, handicrafts and textiles had been worst hit. The apparel exports sector estimates 2.5-3 million job losses because of order cancellation. Nepal’s tourism and migrant labour force had been seriously affected. Tourism, hospitality, education, transport and all industrial and commercial activities in the formal and informal economies have been contrived badly in Pakistan. Almost half of Pakistan's exports are directed to the countries most affected by the coronavirus — China, UK, US, France, Italy, Spain and Germany. Approximately 40% of exports from Pakistan are destined to the affected western countries, and 9% to China. Apparel and textile as one of the highest contributors towards national exports of Sri Lanka with over USD 5 bn in export revenues has been badly affected. Some factories produced international brands for Gap, Calvin Klein and Tommy Hilfiger has been pressuring workers to resign, against government's advice not to dismiss workers during the pandemic. Even when the factory reached its 30% target, it continued to put pressure on workers to resign.

In Middle East, the oil and gas sector has suffered in the wake of COVID-19. Oil and gas companies are expected to let go of around 30 per cent of its employees in the first quarter of 2020.The operations become increasingly difficult due to workforce shortages as employees are infected by the coronavirus and the practical difficulties in many cases of social distancing. In Jordan and Turkey, many suppliers to lay off or suspend thousands of factory workers, often without pay and severance, pushing an already precarious group of workers to greater economic vulnerability.

In the Pacific, tourism and hospitality industry, advance manufacturing, construction, education, outbound exports of premium and perishable foods (agriculture), aviation has suffered immediate impacts in Australia. The government statistics showed that 55% had temporarily reduced staff work hours, while 52% had changed staff work locations, including working from home. For a country whose economy is overwhelmingly dependent on tourism, border closures are already having a substantial demand side impact on the economy through decreased tourism arrivals for Cook Islands, Kiribati, Samoa, Tonga and Vanuatu. Locals and expatriate workers have been laid off and resorts are shuttered. In Fiji, various industries such tourism, construction and marine fishing industry have been affected. The primary sector, forestry and logging activity, in particular, pine wood supply, is expected to fall given the expectations of a significant decline in demand for woodchips from two major markets - China and Japan. In New Zealand, tourism, aviation and production in all industries have been affected in some way, primarily in the accommodation, food service and construction sectors. Tourism (both international and domestic) is the country's biggest export earner (20.4% of total), accounting for 5.8 percent of GDP and employing directly and indirectly almost 400,000 (or nearly 15 percent) of the workforce. Chinese tourists alone spend around $180m per month in the peak travel period of January through to April.

In defending and protecting of workers interests in Global Supply Chains, trade unions in the region held dialogue with management to help minimise disruption to company operations, negotiated and worked together with management to keep workers employed, initiated a joint statement with employer association and global brands to protect the health and welfare of workers, issued press statements and called the government to support workers and business in the global supply chains facing down a pandemic etc.

The trade unions were able to gain various important victories because of their collective strength. COVID-19 crisis is proving that workers in Global Supply Chains need trade union and collective bargaining more than ever.

EAST ASIA

Hong Kong- SAR

Hong Kong economy shrunk by 8.9 per cent in the first quarter of 2020, the worst record since 1974, due to serious disruptions by the COVID-19 pandemic. The export declined by 9.7 per cent in the first quarter of 2020. It is still uncertain whether there would be any sign of recovery in the second half of 2020. It is expected that Hong Kong would face its economic contract at 4.7 per cent with 134,100 workers losing their jobs.

Unemployment shows an upward trend, worse than expected; Unemployment rate for the February to April period was 5.2 per cent, 1 percent point higher than the rate for the January to March period (4.2%). Underemployment for the same period was 3.1 per cent also with a growing trend.

Tourism, one of main pillars to support Hong Kong economy, has been one of the worst affected industries with 99.9 per cent drop in visitors on year-on-year basis in April due to its measure to close all but 3 boarder checkpoints in February and subsequent international travel restrictions. There seems no sign of immediate returning of Chinese tourists, who accounted for 80 per cent of tourist arrivals, even after gradually reopening its economic activities. Cathay Pacific Group reported its unaudited loss of HK$4.5 billion for the first 4 months of 2020 with 99.6 per cent reduction in passengers carried in April.

The value of total retail sales declined by 35 per cent year-on-year in the first quarter and retail sales in March only, on year-on-year basis, fell 43.8 per cent. It is expected that almost 25 per cent of retail stores in Hong Kong would close by the end of this year unless there was any significant improvement or continued relief measures by the government.

The COVID-19 pandemic has also disrupted the construction industry with expected 9.2 per cent contraction in 2020. Despite a gradual restart of construction works, major infrastructure projects would be affected with funding issues.

Japan

Japan has already fallen into recession as its economy shrunk 3.4 per cent in the first quarter due to the pandemic, followed by a 7.3 per cent slump in the 4th quarter in 2019. According to a survey by the Japan Center for Economic Research, it was predicted that there would be further contraction in the second quarter with the annual rate of real GDP growth shrinking 21.33 per cent from the first quarter. It seems very unlikely to have a V-shaped recovery that the Japanese government continues to advertise.

The export plunged nearly 22 per cent in April, year-on-year, from 6.7 trillion yen to 5.2 trillion yen. Major affected industries are automotive, machinery, chemical and textile industries.

It is expected that the number of job losses in this year due to the pandemic would be higher than the number during the 2007/2008 global financial crisis. The unemployment rate in March increased by 0.1 percentage point to 2.5 per cent from February. For one month only from March to April, 260,000 part-time and temporary jobs disappeared. According to the Daiwa Institute of Research, Japan might have 1 million job losses even if the pandemic slowed through June. In the worst scenario that the pandemic continues until the end of this year, job losses could reach 3 million. This figure is similar with estimates by another institute which expects 4.5 per cent fall in the number of workers. By sector, the biggest job losses could be in retails/wholesales sectors with 845,000 losses, followed by manufacturing with 614,000 jobs and accommodation and restaurants with 589,000 jobs.

Once of most affected industries is the automotive industry, one of main pillars for the Japanese economy. The automobile exports fell 13.1 per cent in March from the same month in 2019. Also, the car part exports dropped 17.9 per cent.

The tourism sector has been suffering with the number of foreign visitors falling 93 per cent in March compared with a year earlier. This has had significant spill over effects over travel agencies, cruise line operators, hotels and inns, restaurants, retailers and so on.

Small and medium sized companies, accounting for 99.7 per cent of all businesses in Japan and responsible for 70 per cent of jobs, have been significantly affected by the pandemic through disruptions in global supply chains, in particular, from China, for raw materials as well as intermediary goods. According to Teikoku Data Bank, 93 firms have been already bankrupted as of 24 April.

Korea

Amid the COVID-19 Pandemic, Korean economy had the worst contraction by 1.4 per cent in the first quarter since 2007/8 global financial crisis. The export, accounting for around 50 per cent of the economy, dropped 2 per cent in the quarter. For the first 20 days of May 2020, it was recorded that the export sank 20.3 per cent year-on-year. Consumer spending also plunged 6.4 per cent, responsible for pulling its real economy down by 1.3 percentage points in the same period.

According to the report of the Korea Labour and Social institute on employment trend in April 2020, the number of employed people, after seasonally adjusted, in April dropped sharply to 26.5 million from 27.52 million in February with more than 1.02 million people having lost their jobs. This was worse than at the time of Asian financial crisis in 1997 when there were 920,000 job losses from December 1997 to February 1998. The job loss due to COVID-19 has been increasing faster than at the Asian financial crisis.

The report also highlighted that women workers (620,000) were more affected than men (400,000) and the biggest drop by age group is workers in their sixty or order with 440,000 job loss, followed by 210,000 drops among young workers aged between 15 and 29. Temporary workers were most affected with 450,000 jobs having disappeared. By industry, 200,000 jobs in the hospitality industry have disappeared, followed by 130,000 jobs in health and welfare services, 100,000 jobs in education services and 100,000 jobs in the agricultural and fishery industry. Almost 25 per cent of the losses were from unskilled jobs (250,000)

According to a report by Deloitte, the automotive industry, assembled vehicles and car parts, had been already affected before the pandemic due to the trade tension between US and China as well as growing uncertainty in the global economy. The COVID-19 pandemic has accelerated the declining. In February 2020, the car sales in Korea dropped by 21.6 per cent year-on-year. Furthermore, due to a serious disruption in its global supply chains, in particular, for importing car parts from China, there was a sharp drop in manufacturing and exports in February, year-on-year basis, by 26.4% and 25% respectively.

The number of passengers by airlines in February declined 43.4 per cent on year-on-year basis in February 2020. Korean air announced a consolidated operating loss of 82.8 billion Korean won (USD67.3 million) for the first quarter of 2020 despite its increase in cargo sales by 3.1 per cent. 70% of its employees in Korea has been on paid leave on a rotational basis for 6 months from 16th April with an employment retention subsidy from the government (90 per cent of allowance of business suspension or paid leave as a special employment support industry). Asiana air, the second largest airline in Korea, recorded almost 683.26 billion Korean won (USD 555 million) net losses for the first quarter. All of its 10,500 employees have been put on unpaid leave more than 15 days per month since April until normalisation of its operation. The government plans to use its infrastructure industry fund to bail out the airlines on the condition of employment retention (80 per cent). However, a large number of sub-contracted and out-sourced workers as well as employees of subsidiaries have not lost their jobs without any protection of government's measures. For example, Asiana KO, providing cabin cleaning and baggage handling for Asiana Air, laid off its workers without applying for any government subsidy in order not to pay 10 per cent of their responsible allowance for workers, on top of the government subsidy. Jobs of 5 low cost carriers have become seriously insecure as these LCCs cannot meet some conditions to receive the infrastructure industry fund. The local economy around the Incheon International Airport employs estimated 70,000 workers directly and indirectly.

The tourism industry has also affected by the pandemic with domestic and international restrictions. In March 2020, the number of foreign visitors to Korea dropped 95 per cent, year on year basis, with 83,497 visitors.

The government has identified 'commercial aviation, lodging and tourism industries' as special industries for employment retention subsidy. However, 400 travel agencies have closed their business from January to May this year.

Mongolia

According to the National Statistics Office of Mongolia, in its Social-Economic Situation in April 2020, Mongolian economy shrank 10.7 per cent year on year in the first quarter of 2020. This contraction is mainly attributable to the mining sector (-7.6 percentage points), the transportation, information and communication (-2.1 percentage points) and the wholesale and retail trades (-1.3 percentage points). Comparing with the first quarter of 2019, value added by the mining quarrying sector as well as the service sector in the first quarter of 2020 decreased by 29.5 per cent and 6.8 per cent respectively.

At the end of April 2020, 20,656 workers, 10,107 male workers and 10,548 female workers, were registered unemployed after excluding 4,704 workers having found their jobs. For the first 4 months of 2020, total 7,700 workers became unemployed and 4,700 people gave up finding a job. For one month from March to April 2020, 1,262 workers lost their jobs. Main drive behind the new employed in the first 4 months of 2020, 53 per cent, was dismissal from job.

For the same period in 2020, Mongolia had a significant drop in its foreign trade turnover by USD 1.3 billion (30.8%) with a decrease in exports by USD 1.1 billion (45.3%), comparing the same period in 2019.

The total value of exports from Mongolia to China, accounting for 89 per cent of the total exports, dropped sharply to USD 1,375.6 million in the first 4 months of 2020 from USD 2,235.2 million in the same period of 2019, by 45 per cent.

Main reason behind the export drop is due to lower demand of minerals such as gold (USD 115.6 million decrease), copper concentrates (USD 215.3 million decrease) and coal (USD 629 decrease).

Exports of textiles and textile articles dropped by 72.3% year on year in the first 4 months in 2020, from USD 107.3 million in 2019 to USD 29.8 million in 2020. In particular, the cashmere industry, the top non-mineral exporter, has been also seriously affected. The goat herders, who produce an estimated 40 per cent of cashmere fibre in the world, have been facing a serious financial issue as the cashmere price drops almost 66 per cent comparing with the last year.

Taiwan – R.O.C

Taiwan economy had a mild growth at 1.54 per cent year on year in the first quarter of 2020, amid the global pandemic. However, there was a significant contraction at 5.91 per cent from the last quarter of 2019 with growth rate at 3.31 per cent. Despite shrinking consumption by 0.97 per cent comparing with one year before, investment including government investments as well as government spending, with year on year growth rate at 3.13 per cent and 3.67 per cent respectively, seemed to buoy barely the economy up. As the National Development Council (NDC) announced, the country's economic indicators showed its performance went into sluggishness in March and remained sluggish in April with industrial production, sales and retail/wholesale revenues weakening. It is expected that Taiwan's economy, having heavily relying on exports and manufacturing sectors, would be weakened in coming months with consumer confidence continuously falling.

As of 22nd May, the total number of workers on unpaid leave since the COVID-19 pandemic was 22,500 by unpaid leave programmes, taking five to eight days of unpaid leave per month for less than three months, implemented by 1,285 companies. The is the highest number since November 2009 during the global financial crisis. The largest group of furloughed workers under the programmes,10,169 workers, was from the export-oriented manufacturing sector, followed by 3,839 workers from the wholesale/retail sector and 3,569 workers in the hospitality and food/beverage sector.

The unemployment rate rose for the last three consecutive months from February. The unemployment rate in April rose by 0.31 percentage points to 4.03 per cent with additional 36,000 jobs losses. Considering a drop of 0.05 percentage points in labour force participation rate in April to 59.06 per cent from March, there were more jobs affected by the pandemic.

Industrial production in the first four months of 2020 grew 7.68 per cent year on year and production by manufacturer increased by 8.23 per cent, supported by the electronics industry with the local electronic components industry growing 22.15 per cent year on year in April. However, production of automobiles and car parts plunged 21.10 per cent from a year earlier, followed by the oil and coal sectors (16.74 per cent, the machinery industry (14.10 per cent) and the base metal industry (6.08 per cent). Considering weak global demands with disruptions in production through global value chains, it is expected that the production value of Taiwan's manufacturing sector would drop more than 5 per cent in 2020 comparing with 2019. Manufacturer's sentiment already hit its lowest levels since 2009.

Due to social distancing measures and travel ban on foreign visitors, the tourism, aviation and food and beverage sectors have also been affected badly. The sales of restaurants and beverage vendors plunged 22.8 per cent year on year in April to USD1.60 billion, the steepest drop year on year in any month since 2000. The major international carriers, Chia Airlines and EVA Airways reported their net losses in the first quarter of 2020 NTD 3.77 billion (USD 124 million) and NTD 1.2 billion (USD40.13 million) respectively.

SOUTH EAST ASIA

Cambodia

Garment industry has been the agent of economic growth for Cambodia. The sector hires about 86% of all factory employees around 800,000 people and generates nearly 50% of Cambodia's gross domestic product (GDP), exporting jackets, jerseys and other clothing to European markets and the US.

The COVID-19 pandemic has caused major disruption to supply chains. Official numbers show the outbreak has led to a halt of production in 91 garment factories and 91,500 garment workers have been laid off.

Athit Kong, President of Coalition of Cambodia Apparel Workers' Democratic Union (CCAWDU), affiliated to Cambodian Labour Congress (CLC) reported that 1,180 of CCAWDU members have lost their jobs when 15 garment factories suspended operations and 8,000 members have been temporarily laid-off.

On 13 May, around 1600 workers from the FMF factory which produced bags and handbags protested in demand of last month's salaries. The factory management failed to pay workers their last month's wages and sacked 150 workers without advance notice. The factory informed its workers that they would be paid on the 11th of May, but, when the day came, they postponed. Workers stressed that they need the money in order to pay their rent and daily expenses. The management was unable to pay the salaries as they are facing financial hardship due to the cancellation of orders.

The case of H&M and VF Corporation (Garment)

CCAWDU and other unions (IndustriAll affiliates) have written to a number of global clothing brands. In the letters to Gap, Puma, Nike, Adidas, Uniqlo, Levi's and VF, the unions point out to the brands that if their goal is to achieve a living wage for garment workers, the ACT (Action, Collaboration, Transformation) process provides a unique opportunity to strengthen the industry and to improve wages for workers through sectorial bargaining. By not making the same commitments as ACT member brands to support an industry wide agreement through their purchasing practices, these brands are fundamentally contributing to the Cambodian suppliers' decision to withdraw from the negotiations.

The companies such as H&M and VF Corporation guaranteed payment for orders completed in production, helping workers quickly receive salary.

Indonesia

According to Manpower Minister, a total of 1.7 million workers have been laid off as a result of social distancing restriction in a number of cities. More than 132,000 workers in Jakarta and nearly 300,000 workers in West and Central Java had been furloughed as of early April. Manufacturing sectors such as textile, clothing, footwear, electronics and automotive is more vulnerable given its high dependence on global supply chains as well as brands based in developed countries. The industries are largely concentrated in Java which has seen the most cases of the virus of anywhere in Indonesia.

The case of Wacoal Indonesia (Garment)

A garment factory in Bogor West Java, PT. Indonesia Wacoal - a manufacture of women's lingerie and underwear, head quarter in Kyoto Japan, with total number of 1,911 workers once decided to dismiss 800 workers because of the rapid decrease in demand of their products due to Covid-19 pandemic.

However, Wacoal workers' union (affiliated to KSBSI) and the Wacoal management worked together to transform their production lines temporarily as to produce surgical masks. As a result, the company keep their workers employed and the management also advance their Religious Festivity Allowance in March. This case showed the importance of collective bargaining to sustain a business and employment in the pandemic.

The case of Yazaki Group (Automotive)

The Yazaki Corporations is global automotive parts suppliers with a focus on wire harnesses, instruments such as connectors and terminals. Their products sell to Japanese automotive brands such as Toyota. The Yazaki Indonesia has 7 companies with 23,281 employees.

In one of the Yazaki's companies located in Tangerang Banten, 6 workers were tested positive for COVID-19 (16 April) and later 2 were died of coronavirus. In order to reduce the risk of further transmission, the company temporarily closed the operation until further notice. The SPMI union of KSPI negotiated and reached agreements that the company will provide 2 weeks paid leave and instead of terminating workers, the company is agreed to reduce 20% of the basic salary for those who are working from home.

Malaysia

Malaysian Central Bank has estimated job losses to increase to 629,000 whilst the Malaysian Institute of Economic Research (MIER) is an independent, non-profit organisation devoted to economic, financial and business research that serves as a think-tank for the government and the private sector has projected 2.4 million will lose their jobs eventually, 67% of which will be unskilled workers.

Workers livelihood is under serious threat with unwarranted pay cut, forced leave, no pay leave, retrenchment and union busting. A Japanese company producing tyre in Taiping, Perak sacked its workers' trade union leader (an EXCO member of the National Union of Employees in Companies manufacturing Rubber Products), not an affiliate but seeking MTUC's assistances. He was dismissed for advising workers on the COVID-19 SOP introduced by the Government. This company also suspended another worker who protested the sacking.

A Germany electronic component producing company in Kulim Kedah dishonoured its Mutual Agreement signed with the Electronic Industry Employees Union Norther Region (an affiliate of MTUC) to finalize its collective bargaining just to avoid the picket action commenced by the trade union, the moment the movement control order for Covid19 pandemic containment commenced. A hotel, in Kuala Lumpur with several outlets in many countries and a cement factory in Rawang, Selangor have retrenched existing workers with the excuse of carrying out refurbishment. The cement factory has also claimed that the Labour Department has given them "extra assurance" to carry out the retrenchment.

The case of MTUC Malaysia

MTUC wrote numerous letters to the Government including the Ministry of Human Resources to (a) refrain using workers social security monies to fund the COVID-19 expenses for employers and workers COVID-19 testing, (b) to form Emergency Action Committee with the participation of MTUC representatives (c) invoke an Emergency Employment Regulation to protect the jobs of workers and complaints of pay cuts and retrenchment. However, the response from the Malaysian government is very poor.

It will be paramount of the Malaysian government to take bold and proactive move to protect the workers, which otherwise will impact the livelihood of workers and their families at a devastating scale.

Myanmar

Garment and footwear industry have been an important engine of development in Myanmar. With minimum wages lower than China, Cambodia and Vietnam (neighbouring countries), the country has attracted orders from international retailers such as Adidas, Mango, Zara, Gap, H&M, Marks & Spencer etc.

As part of global supply chains, these industries have been hard hit by the pandemic. Over 60,000 factory workers across the country have lost their jobs due to factory shutdown, including those working in the garment factories that supply some of the world's biggest fashion brands. According to Khaing Zar Aung, President of the Industrial Workers Federation of Myanmar, around 15,000 jobs in the textile industry has been lost, with about 40 factories countries. The number of jobs shed could hit as high as 100,000.

On 15 May, 600 workers at the Myan Mode factory urged Mango and Zara to help resolve the issue of unfair dismissal of union members. They explained that dismissed union members are in serious economic hardship, as they are unable to seek new jobs due to the economic crisis. Some workers have even faced evictions because they are unable to pay rent. Workers demanded these brands to resolve the issue.

The case of Industrial Workers Federation of Myanmar (IWFM)

On 12 May 2020, the Industrial Workers Federation of Myanmar (IWFM) of CTUM together with employer working group of ACT brand suppliers and global brands (H&M, BESTSELLER, INDITEX, NEX and TCHIBO) signed joint statement "working together to protect the health and welfare of workers and supporting the payment of workers and factories".

The global brands endorsed the joint statement and committed to responsible purchasing practices, including in particular: (a). Paying manufacturers for finished goods and goods in production; (b). Maintaining quick and effective open lines of communication with supply chain partners about the status of business operations and future planning and (c) Should financially circumstances permit, direct support to factories can also be considered.

Philippine

Department of Labour (DOLE) said around 2,073,362 workers have lost their jobs as of April 24. Of this number, around 1.4 million were displaced due to temporary closures of establishments, while over 600,000 personnel reported reduced incomes due to modified working arrangements (fewer workdays, rotation, forced leave, and telecommuting).

Metro Manila recorded the highest displacement figure anew with 687,634 affected workers. Central Luzon came in second with 281,278 affected workers, followed by Davao Region which listed 207,789 personnel. Calabarzon, where a number of big industries are located, reported 158,646 displaced workers, while Region 10 or Northern Mindanao has 106,162 affected workers.

Business process outsourcing establishments and export-oriented industries shall remain operational. These are subject to the condition that strict social distancing measures are observed and that skeletal workforce shall be implemented. Those operating on skeletal workforce, however, have adopted flexible working arrangement, such as, reduction of workdays/hours, rotation of workers, forced leaves, and, if applicable, work from home. This resulted to reduction of wages, loss of income etc. Due to strict implementation of travel restrictions and operating on skeletal workforce on business establishments providing basic necessities and export-oriented manufacturing plants, workers suffered from displacement and reduction of wages.

The case of Vishay Philippines, Inc. (Electronic)

The company is a subsidiary of Vishay Intertechnology, Inc. with corporate headquarters at 63 Lancaster Avenue, Malvern, Pennsylvania, USA, employing more or less 700 workers. It manufactures and distributes semiconductors and related solid-state devices to Asia-Pacific region. Being an export-oriented establishment, they are remained operational as long as observing the conditions set by the government.

On 17 March 2020 (first day of Luzon lockdown), the company temporarily ceased its operations to put in place the necessary measures in compliance with the disruptive measures. The Union, armed with letter of request, among others from FFW, held a dialogue meeting with the Management in order to discuss the possible operation of the company on a skeletal workforce and other arrangements to minimize the reduction of wages of employees.

After two days of continuous meeting between the Union and the Management, both came up with a mutual agreement to continue the operation while providing incentives to the reporting workers. Said agreement is outside of the existing collective bargaining agreement (CBA). The following had been negotiated and agreed upon:

1. No employee shall be required to work except those who volunteered to work during the lockdown period;
2. To encourage the employees to stay at home, as mandated by proclamation, the parties agreed to exhaust first the emergency, vacation and sick leave credits (with an average of 50 days) with full pay before resorting to no work, no pay scheme;
3. Employees who volunteered to work is entitled to additional 40% premium pay to his/her daily salary;
4. Employees shall be provided with free meals: breakfast, lunch and dinner;

5. Free on-site and near-site accommodations with free meals;
6. Free shuttle ride for point-to-point service for those workers opted not to avail the free accommodation; and
7. Free health-related products and services: hygiene kits, face masks, vitamin, hand sanitizer etc.

As of this date, there are now about 40%-50% of total workforce is now working since the quarantine has been downgraded its level allowing the companies to utilize its workforce by 50%.

Unfortunately, those employees who stayed at home and opted to exhaust their leave credits were not able to avail the CAMP financial assistance on time since DOLE discontinued it due to alleged lack of funds. The same thing with SBWS Program, workers are not qualified because the company is not a micro, small or medium enterprise.

In this case, however, the union played a major role in developing entirely set of rules (outside CBA) to mitigate the adverse effect of disruptive measures imposed by the national government. They have averted the mandated no work-no pay policy for at least 50 days. In case the lockdown re-extended, they might negotiate for the advance availment of 2021 CBA paid leave credits.

Singapore

SNTUC do not have any specific action in particular to GSCs. With the government budgetary support, government together with SNTUC has managed to avoid any significant lost of employment. Even the migrant workers who are now restricted to their dormitories are still being paid by their respective employers.

Thailand

There are two business sectors that completely affected by the COVID-19 outbreak. One is the tourism related business and its value chain while the other is commercial airline business or aviation sector. More than seven million people, out of approximately 38 million in the formal workforce, are at risk of losing their jobs by end-June. Of those, 978,000 come from the three million formally and informally employed in the hotel industry. Most employments are short-termed contract or outsourcing typed contract.

Once the business got affected by the COVID-19 outbreak, employer chose to force their employees to submit the letter of resignation, instead of paying 75% of wage if employer chose to temporarily closed or paying the compensation if employers chose to terminate their business.

SERC, with the cooperation with the Airport Alliance of Thai Trade Unions, and Thai

Labour Solidarity Committee (TLSC) issued the press statement concerning of workers in aviation industry under the outbreak of COVID-19 crisis to call on the government, employers, and all supply chain companies in aviation industry in Thailand, Thai Airways International Public Company Limited and Wing Span Services Company Limited to protect permanent workers, outsource and all subcontract workers according to the International Labour Standard and respect the human rights, with the following recommendations:

1. The employers in all aviation sectors should provide collective forum with trade unions for their consultation in order to jointly identify the companies' survival policies. If any policies will impact the workers' working condition, all the policies shall respect on the principles of labour laws, international labour standard and human rights principles to prevent for the least impact to the workers.
2. The employers in all aviation sectors, who have already announced any temporary suspension of the production, have to identify concrete time frame to call the workers back to work or re-open their businesses after the Covid-19 situation is solved out. This would prevent any sorts of measures leading the unfair layoff to all airport workers by using Covid-19 crisis.
3. The employers particularly outsource and subcontract companies in the aviation sectors (precarious employment) should take responsibility to strictly compliance your businesses with the respect of the Thai labour protection act. The employers should stop forcing and threatening the workers to sign any resignation with the intention in avoiding the compensation payment to the workers by using this Covid-19 crisis to violate and inhumanly behave to the airport workers.
4. The employers in the aviation sectors should sufficiently provide protection equipment, masks or any related protection tools to all airport workers including outsource and subcontract workers. All airport workers are still providing services to the passengers at the airports, they deserve to be safe and protected from any risks in the workplace.

The case of Wingspan Workers and Thai Airways International (Aviation)

Wingspan Workers were forced to sign the letter of resignation. With the consultation with SERC, Wingspan Workers' Union successfully negotiated with their employer to get paid of 75% of wages for temporarily closed the business. On the other hand, top management of Thai Airways International Public Company Limited wanted to reduce the employee's wage for 3 months to try to survive the business during the temporarily stop the airline service for 3 months. Also, with the consultation with SERC, Thai Airways International Union successfully negotiated with their employer to get wage paid of full amount. SERC with the cooperation with ITF, we have executed the worker organizing project in the commercial airline business sector for a year. With the COVID-19 outbreak, we decided to hire two Wingspan Workers' Union as the worker organizer to help workers in the airport, and at the same time do the organizing work too.

SOUTH ASIA

Afghanistan

N/A

Bangladesh

Bangladesh's readymade garment (RMG) sector and remittances from Bangladeshi workers abroad are major pillars of the country's economy. Manufacture and export of RMG accounts for 13 percent of its GDP and employs nearly 4 million people. The sector was already showing negative growth of 5.71 percent in the first half of the last fiscal year and now, with several companies in the United States, U.K., and Europe cancelling orders that were placed before the COVID-19 outbreak, its future isn't looking good.

Importantly, Bangladesh's foreign exchange earnings are poised to drop. Foreign remittances projected to fall by 22 percent, from USD 18.32 billion in 2019 to USD 14 billion in 2020.

Currently, Bangladesh falls in the least developed country (LDC) category. Over the past five years its economy has been witnessing a 7 percent rate of growth and this was expected to propel it into the category of a developing economy by 2021. The coronavirus will put Bangladesh's aspirations in this regard on hold.

Since April 26, hundreds of garment factories in industrial belts in Gazipur and Ashulia in the suburbs of the capital, Dhaka, have begun functioning. Pressure to meet production deadlines from American and European garment brands and possible loss of business to competitors have prompted factory owners to reopen manufacturing units. Some 200,000 workers are likely to get back to work at garment factories in Ashulia soon. They will be joined by millions more as people rush to factories in Dhaka and other cities from their homes in villages on foot and in crowded vehicles to return to work. These crowds could emerge new vectors of the COVID-19 pandemic in Bangladesh.

In a recent media report (21st May), the news has come that around 25,000 workers from nearly 40 garment factories staged a demonstration in Ashulia, Savar, Gazipur, Narayanganj and Chattogram, demanding their salaries and Eid bonus. In some places (such as Medlar Apparels Ltd.), workers are being suspended and slapped with legal charges for demonstrating and raising their demands.

India

Covid-19 pulls down India's exports by 34.6% in March; trade deficit narrows to USD 9.8 Billion. During FY20, contraction in India's exports and imports left a trade deficit of $152.9 billion.

COVID-19 may hit India's foreign currency earnings from tea exports. Delayed start of various works in the tea gardens, including plucking and process are among reasons to affect export of tea in over 30 countries. There was no harvesting of tea leaves for three weeks followed by skipping of more than 35 per cent of tea bushes. And now, only 50 per cent of the workforce is allowed to work by the government due to the coronavirus pandemic. Therefore, the crop loss may be much more than what was estimated.

According to Federation of Indian Export Organisations, more than 15 million jobs could be lost in India's export sector due to lockdown. Half of all orders are getting cancelled and units are unable to repay loans.

Labour-intensive sectors such as leather, gems and jewellery, handicrafts and textiles will be worst hit. The apparel exports sector estimates 2.5-3 million job losses because of order cancellation.

The apparel sector employs about 12.9 million people and around 70% of apparel units are MSMEs. The handicraft sector has pegged job losses at 2 million. The gems and jewellery export sector are yet to finalise the loss estimates. The engineering exports sector could lose an estimated 50,000-75,000 jobs. The textiles and garments sector are the second largest employer after agriculture with around 32 million people.

The bulk of this employment is unorganised and includes workers on contract. These are mainly labour-intensive sectors where wages are estimated around 25-30% of the cost of production. The International Labour Organisation said about 400 million workers in India might get affected due to the pandemic.

Nepal

The Central Bureau of Statistics projected Nepal's economy to grow by 2.7 percent in this fiscal year 2019-20 against the target of 8.5 percent. The current fiscal year comes to an end in mid-July.

One of the major crises which Nepal can face is in the food import. Nepal imported agricultural goods worth more than Rs220 billion last fiscal year. The country imports around 600,000 tonnes of rice, 400,000 tonnes of maize and 100,000 tonnes of wheat. The concerned ministry said that Nepal currently has a food deficit of around 600,000 tonnes, which is primarily met by imports from India. In the wake of COVID-19, India has also restricted its food exports to other countries which may bring food crisis in Nepal.

Pakistan

Conditions in Pakistan are similar and not good. The country has nearly 43,898 confirmed cases of which 985 have passed away (as of 20th May). Services sector is the hardest hit sector. Tourism, hospitality, education, transport and all industrial and commercial activities in the formal and informal economies have been affected badly. Workers on Contract basis, skilled, semi-skilled, daily wage, piece rated workers as well as self-employed have been affected adversely. The Government is of the view that over 25,000 Pakistani expatriates in the Gulf-States have so far lost their jobs amid the coronavirus pandemic.

Even though Pakistan's export to gross domestic product (GDP) ratio is less than 10%, most exporters in Pakistan tend to be large businesses that employ a significant number of workers. Thus, their contribution to the overall economic activity is likely to be larger than suggested by exports as a percentage of GDP.

Almost half of Pakistan's exports are directed to the countries most affected by the coronavirus — China, UK, US, France, Italy, Spain and Germany. Approximately 40% of exports from Pakistan are destined to the affected western countries, and 9% to China. This naturally suggests that the implications of the pandemic on Pakistan's exports are likely to be significant as its major export destinations struggle to cope with the crisis.

Figures published by the Pakistan Bureau of Statistics (PBS) reveal a sharp contraction in exports since March 2020. Exports in April 2020 decreased to USD960 million, a 54% reduction compared to April 2019.

Sri Lanka

Apparel and textile is one of the highest contributors towards national exports of Sri Lanka with over USD 5 bn in export revenues. Based on the PMI data as at February 2020 provided by CBSL (Central Bank of Sri Lanka), "New Orders" and "Employment" slowed down, particularly in the manufacturing of textile and wearing apparel sector with the decrease in global demand. The Coronavirus outbreak has affected major export destinations of Sri Lanka such as Italy (one of the largest procurers of textiles and garments). Furthermore, raw material imports have been also delayed due to supply side disruptions because of pandemic outbreak. Hence, enterprises foresee a decline in manufacturing in the short term. Industry experts envisage a revenue loss of USD 1.5 billion between March-September 2020 and is likely to increase if the outbreak continues to spread.

According to the news reports, an Esquel Group factory in Yakkala, Sri Lanka, producing for Gap and PVH, owner of Calvin Klein and Tommy Hilfiger, has been pressuring workers to resign, against government's advice not to dismiss workers during the pandemic. Even when the factory reached its 30% target, it continued to put pressure on workers to resign. Then, management announced that the factory would close and that workers would have to join the factory in Ekala, 8 miles away. Workers are protesting and the union is working hard to stand up for workers, but management is disregarding agreements and pressing on.

MIDDLE EAST

Bahrain

Bahrain's woes have deepened amid the COVID-19 crisis. The country is heavily reliant on revenue from hydrocarbon exports, but these funds have dried up following the collapse in oil prices triggered by the COVID-19 crisis and the Russian-Saudi price war. Initially projected to grow by 2.1 percent this year, Bahrain's economy is now expected to contract by 3.6 percent. Bahrain has pumped out fiscal stimulus to help its citizens and private sector withstand the crisis. In March, Manama announced an $11.4 billion relief package, equivalent to almost 30 percent of Bahrain's GDP. The package includes $570 million for private sector wages, funds for water and electricity bills, and exemptions from certain fees for individuals and businesses.

The General Federation of Bahrain Trade Union (GFBTU) partnered with employer and reached out to workers particularly to construction workers to ensure their good health and safety, and secure their incomes and other means of livelihood.

Israel

Israel could see a 50 percent jump in the number of businesses shutting down this year, to some 70,000, because of the coronavirus crisis, according to a report on the pandemic and its impact on the Israeli economy. The fashion industry, already suffering from competition with online sales, will suffer even more because of the coronavirus restrictions. More than 1,000 fashion stores are expected to exit the sector during 2020.

HISTADRUT and employers' organisations are jointly calling on the government to adopt a wage subsidy model to replace the furlough model currently implemented in Israel. The proposed model, if adopted by the government, would allow employers to hire part-time workers instead of placing them on unpaid leave. In this case, the employer continues to pay the employee his wages for hours worked. For reduced hours, the employer pays the employee a reduced salary at a corresponding rate to the unemployment benefit rate. The employer would receive compensation from the government for the part of the salary, which he paid to the employee for the hours he did not work. Thus, the government allows the business to maintain reduced activity without affecting employee income.

Jordan

Textile, garments, ready wear, footwear and fabric manufactures have been hit hard by the pandemic. Suppliers in garment-producing countries have faced an onslaught of order cancellations, reduced order volumes and extended payment terms, which have left many having to reduce operations or stop them altogether, unable to bear the financial burden. This has forced many suppliers to lay off or suspend thousands of factory workers, often without pay and severance, pushing an already precarious group of workers to greater economic vulnerability. Jordan's tourism which accounts for 12.5 percent of the kingdom's overall GDP also no exception.

Kuwait

Kuwait rely heavily on foreign workers across all sector of the economy, from professional to skilled workers and manual labour. Foreign constitute almost 70 percent of the population in Kuwait. The major group of migrant workers are from Asian countries, including India, Pakistan, Bangladesh and the Philippines.

The sectors most impacted by the pandemic are oil and gas, aviation, hospitality and real estate. Collapsing oil prices further depress demand in Kuwait where oil and gas is the most sector.

Oman

Job loss and salary cuts has become the new normal in Oman, adding that retail, automobile, and construction sectors are the worst hit, where mass layoffs are also happened. Oman's finance ministry told the state companies to replace migrant workers with locals. Oman had barred private companies from trying to lessen the economic burden of the Coronavirus crisis by firing Omanis. It also had urged private firms to ask non-Omani employees "to leave permanently".

Palestine

Palestine is struggling with an "unprecedented" economic crisis amid the novel coronavirus outbreak. Agriculture and food production (especially olive oil), stone and marble industry, textile, garment, leather and footwear industry, pharmaceutical sector have been hit hard by the pandemic. Thousands of factory workers, often without pay and severance have been suspended or laid off.

Turkey

The textile/garment industry is one of the most fundamental sectors for Turkey despite its reducing importance in recent years, the sector's share in the Turkish economy is 8%-10% with the indirect effects, 15% in manufacturing industrial production, 15% in exports, and 26% in manufacturing industrial employment. Its share in total employment is around 8% in the country.

Turkey's clothing and textile sector, a vital source of employment and revenues, has become the worst-hit industrial branch in the coronavirus crisis. The industry employs some 1.3 million people, including unregistered workers in the manufacturing field, but an equally large labour force works in distribution and marketing. It is estimated that more than half a million workers in the textile industry may lose their jobs after textile/garment monopolies are heavily affected by the COVID-19 pandemic in Turkey.

Yemen

N/A

PACIFIC

The combined effects of the massive damage caused by category five Cyclone Harold and halt in international tourism due to the coronavirus pandemic have been devastating for many small island states in the Pacific.

Tourism is key driver of economic growth in the region, delivering as much as 70 percent of some nations' overall GDP and employs a significant proportion of people in formal employment. It is a main export from Vanuatu (70%), Samoa (62%), Fiji (58%) and Tonga (47%). With travel restrictions comes a substantial decline in tourist numbers and a major disruption to supply chains as follows:

- The slowdown in Chinese economic activity is expected to greatly impact the export of certain Pacific products. World Bank figures show China has established itself as one of the main trading partners for the region, accounting for 7% of Fiji's exports, and 67% of Solomon Islands'.

- The logging industry will be heavily affected by a decrease in industry-led demand linked to Chinese factories. Solomon Islands would be hit the worst, since 94% of its exports to China consist of wood products.

- The slowdown in the Chinese economy could also lead to a reduction in imports of Chinese products used in local industries. Products across the supply chain originate from China and will take longer to arrive in the region, hampering the pace of local production.

- Labourers on many Chinese construction sites around the region have also been unable to return to work, slowing the pace of Chinese-led construction, which has become a major feature of infrastructure construction in the Pacific.

- Thousands of jobs have already been lost, with resorts and hotels closing in Fiji, the Cook Islands and Samoa, countries where tourism makes up more than half the economy.

The Australian Government has taken $100 million from existing aid programs to provide "quick financial support" to 10 countries in the region, with PNG receiving the most assistance.

Australia

COVID-19 outbreak has had a significant and growing impact on domestic and international supply chains. Australia was no exemption. The country is particularly exposed to the impact of this outbreak, given the scale and reliance on foreign suppliers, particularly China as a key consumption market and hub, for vital goods. Its two-way trade with Beijing was worth more than A$200bn ($128bn) in 2019.

Inbound tourism and education and outbound exports of premium and perishable foods have suffered immediate impacts. According to estimates by the Tourism and Transport Forum, Australia could potentially lose A$5.64bn ($3.96bn) in inbound tourism receipts from Chinese visitors alone for the period of January-May 2020 in the wake of the crisis.

Economic analysis highlights that the impact on tourism and education sectors could result in a fall of services exports of up to $2.3b this year. Universities in particular have been dealt a double blow by the pandemic. A new research report details how a dramatic drop in international student fees (particularly students from China) and business research spending will impact the sector significantly in the next six months and beyond.

Aviation sector has suffered from a massive drop-off in international visits to Australia and new self-isolating requirements for all international arrivals. Virgin Australia, the country's second largest carrier, has gone into voluntary administration after the federal government refused its demand for a A$1.4 billion loan to stay afloat. It employs about 10,000 workers, 1,000 were made redundant and about 8,000 have been stood down since coronavirus-related travel restrictions were imposed. The Federal government announced it will pay Qantas and Virgin Australia up to $165m to maintain key domestic flight routes over the next two months.

The aviation industry also received a $715m relief package made up refunds and waivers of fuel excise, Air services charges and regional security fares backdated to February. Several states extended economic stimulus packages for hard-hit sectors including tourism, events, hospitality, sports and the arts.

Businesses within industries such as advanced manufacturing, real estate, construction and infrastructure sectors are expecting weathering the impact of delays in obtaining fabricated goods, plant and equipment from COVID-19 affected countries such as China and Indonesia. There are also significant implications for small businesses and retailers who face difficulties in obtaining consumer products such as guitar parts, bike accessories and hardware and tools.

Disruption to global and import input supply chains were also emerging risks to agricultural producers that needed active monitoring and management. The Australian Bureau of Agricultural and Resource Economics and Sciences' (ABARES) latest insights report found Australia did not have a food security problem, but shortages or disruptions to global supply chains and imported inputs could impact profitability.

The pandemic affected the forestry and fisheries sectors as well. The most exposed products were those typically associated with restaurants and cafés, and, for the forestry sector, those feeding into manufacturing processes. For those sectors that rely on manufacturing in other countries (for example, forestry and wool) the potential for further disruption to production and logistics outside Australia could constrain demand for Australian products.

Reports of Department of Education, Skills and Employment on the impacts of the COVID-19 pandemic on Australian businesses and their staffing levels, showed that the pandemic is affecting the majority of businesses with the demand for their goods and services and cash flow considerably reduced and having to change business practices.

The Australian Bureau of Statistics two rapid-response surveys showed the pandemic's impact on business, with 49% of businesses across all sectors reported experiencing an immediate adverse impact (first survey); and nine in ten businesses were operating with significant operational change: 55% had temporarily reduced staff work hours, while 52% had changed staff work locations, including working from home.

The disruptions to Australian workers were vast. Almost half of the businesses still trading reported making some sort of change to their workforce, including either temporary reductions or increases in work hours, a change of work location, or placing staff on leave. The impact was particularly huge for the hospitality sector (which accounts for about 8% of jobs), with about 78% accommodation and food services businesses making changes to their workforce, including 70% that temporarily reduced work hours, 43% placing staff on unpaid leave, including standing them down, and 29% putting staff on paid leave.

Australia has budgeted almost $200 billion against the coronavirus crisis; including support for free childcare and additional health system support, that's equivalent to about 10% of GDP.

Australia in April, together with foreign ministers from 13 countries, have committed to maintaining global links such as transport and supply chain connections, particularly the flow of essential goods and supplies. It also joined six other countries in March, in pledging to keep trade lines open for land, sea and air freight to facilitate the flow of goods and essential supplies.

The case of Job Keeper scheme

The Australian union movement demanded support for workers and businesses facing down a pandemic, and has achieved a landmark policy achievement with the $130 billion wage subsidy program (JobKeeper) over six months.

The Australian Council of Trade Unions (ACTU) and its members urged the government to expand eligibility and extend the benefit to the arts and entertainment sector" – which has largely missed out due to the requirement casual staff must have 12 months' service with the same employer – and "visa workers who are left with absolutely nothing" because they are also ineligible for job seeker unemployment benefits. Currently, the scheme does not benefit individuals on temporary visas or casuals who have not been with the same employer for 12 months.

The state government of Victoria responded to the call early in May by introducing support a wage subsidy for casual employees who have lost their jobs due to COVID-19, who were covered by the federal Job Keeper program. Around 3,000 workers will receive fortnightly payments of $1500 before tax backdated to 27 April up until the end of September, provided they agree to be redeployed to other high-demand such as healthcare. Unlike JobKeeper, those receiving the benefit are eligible for the payment regardless of their length of service, their age, or their citizenship.

The case of paid pandemic leave

ACTU is calling for the government to legislate two weeks paid pandemic leave for all workers; a legal obligation on employers to protect their workers and their customers by implementing the highest practical standards and controls for their work, such as physical distancing, to prevent workers from being infected and stop the virus from spreading; and compulsory notification to local health authorities and work health and safety regulators in all states and territories of any cases of COVID-19 infection that may have been the result of work.

The case of ACTU plan to rebuild the economy

ACTU has released a comprehensive blueprint for rebuilding the economy and restoring jobs that focused on domestic economic activity in the wake of the COVID-19 crisis.

The eight-point plan has called for the creation of two million new secure jobs and the halving of job insecurity to be set as a target for rebuilding the economy. The plan aims to harness the spirit of cooperation between governments, business, and civil society that has guided our response to the crisis to ensure we rebuild in a way that delivers a better and fairer Australia.

Cook Islands

Cook Islands become one of first nations in the world to declare itself Covid-19-free.

For a country whose economy is overwhelmingly dependent on tourism, (accounting for approximately 70% of the country's GDP and employing a significant proportion of the population), border closures are already having a substantial demand side impact on the economy through decreased tourism arrivals.

All cruise ships, pleasure crafts and yachts have been denied port calls in the country since mid-March until June 20, subject to weekly review.

Restaurants, resorts, and other tourism activity are shut down with only New Zealand flights with supplies and medical provisions allowed. Locals and expatriate workers have been laid off and resorts are shuttered. For example, some 200 staff from three resorts were laid off as the businesses closed due to no incoming guests.

On the supply side, anecdotal reports at this stage suggest that the Cook Islands will only experience minor disruptions to supply.

The Government announced a $61 million COVID-19 Economic Response Package, consisting of the following:

1. Income Support for Individuals
2. Financial Support for businesses
3. Tax support for individuals and businesses

Fiji

The implications of COVID-19 on the economy are enormous, including a drastic drop in visitor arrivals and tourism earnings, severe disruptions to global supply chains and trade flows, major slowdown in business activities, potential layoffs and unemployment and reduced remittances inflow, just to name a few.

Tourism contributes about $FJ2 billion (AU$1.3 billion) to Fiji's national Gross Domestic Product, nearly 40%. Downturn in tourism industry due to closure of borders, travel bans imposed by major source markets and lockdowns across the region is expected to impact GDP by 38 percent. The impact is expected to be felt not just by the tourism sectors but also tourism-dependent businesses such as restaurants, travel agencies, guided tours, air transport and related activities. It will also have rippling effects on the overall economy as almost all other sectors have deep linkages with the tourism industry.

In terms of the services sector, the wholesale and retail trade and accommodation and food services sectors are also expected to decline.

The construction sector is expected to contract on account of major projects being halted or delayed due to material and labour shortages

In the primary sector, forestry and logging activity, in particular, pine wood supply, is expected to fall given the expectations of a significant decline in demand for woodchips from two major markets - China and Japan.

Marine fishing (tuna production) will be affected due to weaker demand from both countries and shortage of vessel crew.

Sea freight has been affected to some extent from countries that are under lockdown, affecting businesses with direct linkages to China and other major trading partners like Australia, New Zealand and USA. Almost all categories of export are anticipated to decline as the outbreak drags down demand and commodity prices.

Given the number of workers who are either directly or indirectly employed in the tourism sector, there will be negative spill-over effects on employment.

Fiji Hotel and Tourism Association says more than 150,000 people are directly or indirectly affected by the drastic drop in visitor arrivals as a result of the global pandemic. This includes all the businesses connected with the provision of goods and services. Around 300 hotel and resorts have shut down or been converted into quarantine sites. Over 40,000 tourism workers (nearly 5% of the country) were either laid off, sent on leave without pay, or on reduced hours, reduced salaries or rotational shifts. There are also growing concerns about the wellbeing of workers who have been laid off.

A brief survey on the overall impact of the COVID-19 pandemic on the wider business community is being done by the Ministry of Commerce, Trade, Tourism, and Transport and the International Finance Corporation. The survey will be implemented to ensure a maximum number of participations from the 24,000 registered employers.

The government unveiled a USD 400m response budget to address COVID-19 on 30/3/2020, with more than half the funds directed to employees and businesses.

The case of the government's COVID-19 supplementary budget

The FTUC expressed disappointment that there is no immediate assistance to workers in the budget other than telling them to fend for themselves by withdrawing from their own retirement funds, yet make it look like it is government assistance.

Earlier, the Government announced workers who had either lost their jobs or had their hours reduced could withdraw from their Fiji National Provident Fund retirement.

Kiribati

The country has also yet to report a single case of COVID-19 but the government has suspended all international flights and closed the borders as a precaution.

The public sector dominates Kiribati's economy. It provides two-thirds of all formal sector employment and accounts for almost 50% of gross domestic product. Kiribati is highly exposed to external economic shocks, particularly surges in food and fuel commodity prices, due to its limited revenue base and high dependency on imports.

Annually, the island nation hosts a little over 5,000 international visitors, 21% of whom are from U.S.A, 17% Australia, 9% New Zealand and 22% from other countries including UK and Europe.

With COVID-19 cancellations coupled with the suspension of airline services has significantly affected the tourism industry. Reports show that accommodation providers are operating on shortened staff hours and/or layoffs, limited hotel services and other cost control measures.

New Zealand

New Zealand has implemented one of the most stringent lockdowns in the world with mandatory quarantines for all visitors as early as March 15 (even though there were just six cases nationwide at that time) and a complete, four-week country-wide lockdown, including a moratorium on domestic travel, 10 days later.

COVID-19 has had a profound effect on tourism industry. Tourism (both international and domestic) is the country's biggest export earner (20.4% of total), accounting for 5.8 percent of GDP and employing directly and indirectly almost 400,000 (or nearly 15 percent) of the workforce. Chinese tourists alone spend around $180m per month in the peak travel period of January through to April.

Production in all industries has been affected in some way, primarily in the accommodation, food services and construction sectors. The Restaurant Association of New Zealand reported that COVID-19 had drastically affected hospitality businesses affecting more than 69,000 employees nationwide. A survey in April showed that many hotels have temporarily closed while the lockdown was in place with others electing remain open and run on skeleton staff. At least 30 per cent of hotels throughout the country are currently closed.

The pandemic have affected household spending, business investment and supply chain quite sharply. Those particularly hit were domestic companies that rely on imports from China and some sectors notably timber, meat, seafood and fruit sectors.

Another hard hit are the aviation and travel sectors. Air New Zealand announced up to 3,500 among its pre-pandemic workforce of 12,500 could be lost amongst its ranks due to COVID-19. A NZ$600 million initial support was set aside for the aviation sector to keep airports and airlines in business, which includes waiving of fees for passenger-based government charges in the next six months

A new economic report, predicts more than 12,000 jobs (mostly in tourism, hospitality, entertainment, arts and culture and retail) could be lost in Auckland's centre and it would take at least two years for businesses to get back to get back to pre-COVID levels.

Data released by Statistics New Zealand shows unemployment rate rose to 4.2 per cent in the first quarter. New Zealand is expecting hundreds of thousands of job losses in the coming months due to the economic impact of the coronavirus pandemic.

In its May 14 ‘once in a generation’ budget, the government unveiled a $50 billion New Zealand dollar ($30 billion or 17% of GDP) Response and Recovery Fund, taking total COVID-19 crisis spending to more than NZ$62 billion — a staggering 21 percent of the NZ$294 billion economy. The Budget lays out the first $15.9 billion of investment including NZD$4 billion business support package with up to NZD$3.2 billion for the eight-week extension of the wage subsidy scheme, NZD$3 billion on infrastructure investment, a NZD$1.6 billion trades and apprenticeship training package, a NZD$1 billion environmental jobs package, and NZD$3.3 billion on new funding to strengthen core services, including health and education.

The case of Air New Zealand

E tū, the union covering cabin crew, had been calling for a better process and the company to be much more transparent, accommodating and compassionate since the airline has been hammered by the impact of the pandemic on air travel. Already hundreds of pilots had been laid off.

In late March, the national carrier grounded more than half of its fleet and reduced its network capacity by 95 per cent in response to governments shutting their borders to stop the spread of Covid-19 and customer demand away falling.

E tū Rebuild Better campaign wants Air New Zealand, other companies, and the Government to rebuild better – putting workers at the heart of COVID-19 recovery and committing to key principles such as wages-led recovery, involving union members in all decisions and keeping and creating decent jobs.

The case of Essential Workers Leave Support Scheme

From 1 May 2020, the Essential Workers Leave Support Scheme will broaden its eligibility to more than essential workers and will be available to all businesses, organisations and self-employed people.

NZCTU noted that the problem remains with a system that relies on employers to do the right thing and apply for the subsidy in the first place. NZCTU asked the government to make it clear in their advice to business that businesses should pick up available wage subsidies for 'at-risk' people much stronger. 'At-risk' people need to have their rights to support guaranteed, rather than depend on their employer to do the right thing.

Samoa

The measles outbreak in late 2019 that infected approximately 5,6000 people and killed 83, had already caused a contraction in the economy. With border closures and other measures put in place to contain the spread of COVID-19, this has a strong negative economic impact on the economy, with its tourism and export sectors particularly affected.

Samoa is particularly vulnerable to the collapse in global travel with more than 12 percent of the country's workforce employed in either hotels or resorts. Samoa Hotel Association (SHA) said more than 50 hotels and resorts have temporarily closed since the pandemic started, leaving more than 4,000 people jobless.

The Government has announced its relief assistance for the Tourism Sector (i.e., accommodation providers, restaurants, travel agents, tour operators, rental vehicles, tourism sites and activity providers) with a Stimulus Package to assist the local economy and deal with the impacts of the global COVID-19 pandemic. The two major relief funds to assist the Tourism Sector as part of enabling the Private Sector as announced in Parliament, includes freezing payments for the Samoa National Provident Fund (SNPF) and the Accident Compensation Corporation (ACC) for six months. There is also reduced rates on electricity usage for three months among other assistance.

Some $3.5million has also been allocated to the Ministry of Agriculture and Fisheries to assist local agricultural and fishing to support food security.

The President of the Samoa Chamber of Commerce has written to the Minister of Finance requesting government assistance for over 430 businesses affected by COVID-19 restrictions.

The case of the tourism sector

Samoa First Union has been working with government to ensure the health and well-being of its members, particularly those in the badly hit sector such as tourism.

Tonga

Tonga is another country suffering from the double whammy blow of the impact of Cyclone Herald which flattened resorts and COVID-19.

The Kingdom remains one of the few countries without confirmed cases of the virus but nonetheless declared a State of Emergency in March and further extended its border closure to 12 June to slow the spread of the virus, with some expectations for repatriation and humanitarian flights.

The public health emergency has put pressure on the kingdom's broader economy, particularly hitting tourism, retail, agriculture and transport sectors. The Asian Development Outlook 2020 report forecasts that the pandemic will severely hit tourism sectors, including Tonga's. ADB's report says Tonga will see zero growth in 2020 due partly to a plunge in visitor arrivals. Tonga's only domestic airline, Real Tonga, is reportedly on the verge of bankruptcy. A number of staff, including pilots, had been laid off.

One third of the population is dependent on tourism, and over three-quarters of poor households have experienced an economic shock caused by lower remittance inflows.

Reports indicate that many businesses in Tonga might be closed down in the next 6 months as they do not have enough money to operate and not enough money as well to pay their workers.

Stimulus package has been announced in April 2020 worth USD25 million. Expenditure includes: USD 2 million to the Ministry of Health; USD 1.6 million to Education; with additional funds for food security and agriculture assistance.

Vanuatu

One of the few remaining countries without confirmed COVID-19 infections, Vanuatu has been struggling to cope with the dual challenges of responding to the impact of category five Cyclone Harold which affected more than 150,000 people across the islands and caused widespread destruction to properties, tourism and agriculture amounting to as much as $100; and the global pandemic.

Worldwide travel restrictions and the emergency measures put in place within the country to contain the spread of COVID-19 have taken a heavy toll on the tourism sector (which makes up nearly 40% of GDP and more than 50% of total exports).

Cruise tourism provides essential income for Vanuatu, a popular cruise destination for tourists from Australia and New Zealand. A 2014 study found that the industry generated A$53.2 million (about $32 million) in annual economic benefits for the small island nation.

Vanuatu has seen visitor arrivals plummet to zero, impacting thousands of tourism-dependent livelihoods in the country. A joint survey on the impact of COVID conducted by the Tourism Office and Ministry of Tourism shows that more than 250 tourism businesses suggested a total reduction of 2,077 full-time employees and 214 part-time employees, representing a 70% fall in full employment and a fall of 33% in part-time employment. Some 1,633 employees have been placed on unpaid leave, 462 on paid leave and 300 have been terminated. Decreased revenue, decreased productivity and reduced workforce were the three main impacts reported by businesses affected by the COVID-19 Pandemic.

Information as of 28 May 2020