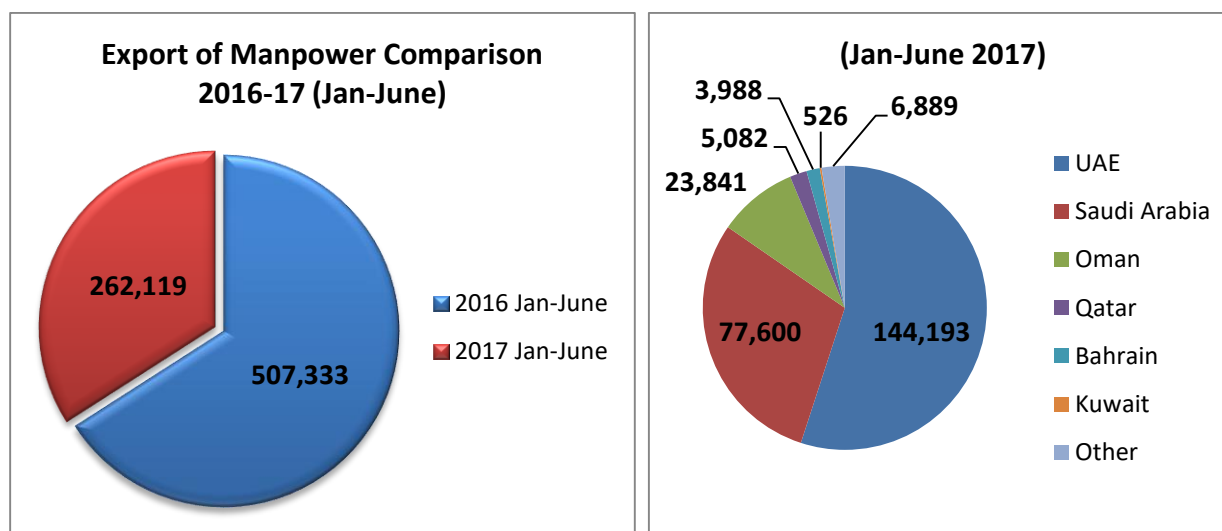


MID YEAR EXPORT OF MANPOWER ANALYSIS (JAN-JUNE 2017)

1. Export of Manpower Comparison (Jan-June 2016-17)

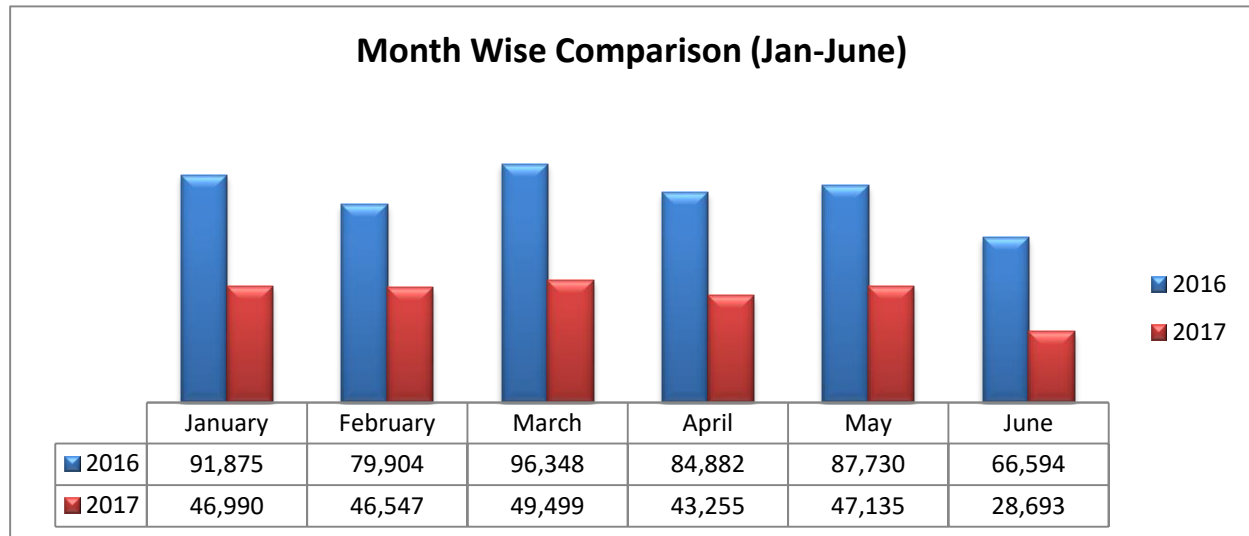
During the year 2017 (Jan-June), 262,119 Pakistanis proceeded abroad for employment which shows the decline of 48% as compared to the same period in 2016. The half year emigration statistics indicates that majority of the workforce proceeded to UAE 144,193 (55%) followed by KSA 77,600 (30%) and Oman 23,841 (9%).



In Saudi Arabia, 77,600 migrants proceeded during the first six months which shows the decline of 233,287 (75%) followed by UAE 9643 (6.27%) Bahrain 184 (4.41%) and Oman 928 (3.75%) as compared to the same period of 2016. Moreover, increasing trend is being witnessed in Kuwait 189 (56%), and Qatar 843 (20%). The major blow came from Saudi Arabia where export of manpower has been declining at rapid pace since mid of 2016. On the other hand, situation in UAE is not as much worrisome and export of manpower is expected to sustain in the ongoing year. Pakistan is bearing the brunt of slowdown of Saudi economy in terms of export of manpower as Saudi Arabia is the largest source destination country for Pakistani diaspora.

2. Month Wise Export of Manpower Pattern

The month wise pattern of 2017 indicates that majority of the emigrants proceeded abroad during the month of March. On the other hand, less number of emigrants went abroad during the month of June 2017.



3. Skill Composition of Emigrants

Occupational Group	2016(Jan to June)	2017(Jan to June)	DIFFERENCE		PERCENTAGE	
Highly Qualified	9,203	7,524	(-)	1,679	(-)	18.24
Highly Skilled	3,888	5,345	(+)	1,457	(+)	37.47
Skilled	207,015	102,091	(-)	104,924	(-)	50.68
Semi-Skilled	92,693	45,746	(-)	46,947	(-)	50.65
Un-Skilled	194,534	101,413	(-)	93,121	(-)	47.87
<i>Total</i>	507,333	262,119	(-)	245,214	(-)	48.33

During the first six months of 2017, declining trend is being witnessed in all the occupational groups except Highly Skilled category where increasing trend can be seen. High skilled category includes Managers, Teachers and Nurses etc. The major decline can be seen in un- skilled, semi skilled and skilled categories and majority of the persons having

these skills are engaged in construction related activities. It indicates that Saudi Arabia's cut in its development budget affected the construction sector's projects which the above table is showing almost 50% decline in these occupational groups.

4. Reasons of Decline of Export of Manpower

The emigration data from Jan-June 2017 highlights that 75% decline is being observed in Saudi Arabia as compared to the same period of 2016. The major reasons of decline of export of manpower particularly in Saudi Arabia are as follows.

- The low oil prices negatively affected the Gulf economies especially Saudi Arabia which as a result slashed its infrastructure and transport budget about 63% in 2016 as compared to previous year. KSA faced the huge budget deficit due to low revenue from oil sector which affected its labour market as well. As majority of the Pakistani manpower was engaged in infrastructure/construction sectors which was the basic reason of job losses in KSA.
- Saudi Arabia's public departments have delayed payments to the government contractors and they seek to slash contract prices. The Saudi construction companies failed to pay their salaries before facing total bankruptcy. The phenomenon sent shockwaves across countries exporting low-skilled labour. The domestic workers are not as much under threat as are the ones employed in the infrastructure and development sectors.
- The political situation in the Gulf region also contributed towards economic slowdown of their economies. Due to Yemen war, KSA faced heavy expenditures in its defense budget which is the third largest military budget in the world. Besides oil prices GCC economies depends upon the peace and security of the region.
- After fall of oil prices, all GCC countries have introduced various programs and policies to transform their economies such as, Saudi Vision 2030, UAE's Vision 2021 and Qatar's National Vision 2030 etc. Vision 2030, aimed at overhauling the economy, reducing the dependence on oil and creating a more productive native workforce. The Saudi government has introduced Saudization Program to reduce

unemployment from native population under the slogan “Let's Put the Saudi in Saudization” The objective of this program is the replacement of foreign workers with Saudi nationals in private sector. These sorts of steps are creating hurdles for foreign workers to get employment opportunities in KSA. Under this program, the number of Saudi women joining the workforce saw a dramatic increase in recent years and according to the Ministry of Labour and Social Development, the number of Saudi women working in the private sector has increased by 130 per cent in the last four years.

- The Ministry of Labor and the Job Creation and Employment Commission of KSA is developing a plan to create 1.2 million job opportunities, aiming to create 450,000 jobs for Saudis in the private sector by 2020. The National Transformation Plan aims to increase the percentage of females in the workforce from 23 percent to 28 percent and reduce overall unemployment from 11.6 percent to 9 percent.
- KSA has introduced a new tax on dependents of expatriates including wife and children. The new tax will be 100 Saudi riyals per dependent per month. The amount is expected to increase gradually every year until 2020. In addition, there is another fee to be instituted in January 2018, when companies in which expats outnumber Saudis will have to pay SR400 every month for each expat worker. Moreover, Saudi government is also considering a plan to impose the VAT tax from next year. These taxation measures would have negative implications on expatriates.
- Lack of skill and qualification without having knowledge of Arabic and English languages pose challenges for Pakistani workforce. As majority of the manpower proceeds to GCC countries in unskilled Labourer category which is one of the basic reasons of decline of manpower especially in KSA where infrastructure/construction sectors are in shambles.
- The existing Kafala system in KSA is one the major reasons of decline of manpower in the Kingdom because it has become an important human rights issue and it

makes so difficult for workers to extricate themselves from the clutches of employers.

- Qatar fiasco has created political instability in the Gulf region and it could have negative implications in the labour market because FIFA World Cup is scheduled in Qatar which would create thousands of jobs for foreign workers and Pakistan is closely working with Qatar to grab this opportunity. But the Saudi-Qatar rift is not a good omen in this regard.

5. Future Labour Market Trend Analysis of GCC Countries

In GCC countries, Oil & Gas and Construction firms are still in process of downsizing but there are other sectors which are in demand such as health, hospitality, recreation, entertainment, human resources, automotive industries, sales, accounting, finance, information technology and procurement. According to the study of Gulf Talent, a large number of firms in UAE are hiring IT experts that can help them to protect their data against hackers and build mobile applications for smart phone users. In IT sector, network engineers and Information Security experts are in demand. The similar study remarked that UAE government has issued new regulations especially to the banks, aviation firms and other organizations with sensitive data and systems to put security measures in place which has sparked the demand for IT security experts.

The Kingdom of Saudi Arabia has transformed its economic reliance from oil to other sectors including hospitality, services sector etc. Due to the dwindling economy, the Nitaqat Program has been introduced in order to urge the Saudi nationals to work rather than hiring overseas workers. These steps are curing the economy of KSA but have negative implications on the manpower export from Pakistan. It was a practice in vogue that the intending emigrants used to proceed KSA for employment in construction sector. These workers are either semi-skilled or un-skilled. The dependency from oil to other sectors brings about a massive cut in the construction sector projects and henceforth, there will be more decline in the semi-skilled and un-skilled jobs in the future. It is the need of time for

Overseas Employment Promoters (OEP) to procure manpower from KSA of Highly Qualified, Highly Skilled and Skilled occupations.

The Oman's economy is comparatively stable than other GCC countries, yet, they have decided to start Omanization in which they will jolt large proportion of Omani nationals in public and private sector jobs. This will eventually curtail the jobs for overseas workers. A large fleet of developmental projects are yet in pipeline that would be completed in current and the forthcoming year including the expansion of airports, new hospitals, malls etc. These developmental projects are attracting and will attract overseas workers in accordance with the proportion designated by Oman for migrant workers.

The Kingdom of Bahrain remained at the center of major trade routes. The manpower export from Pakistan towards Bahrain is protracted & expected to get boost in the future. Pakistani Chefs and Cooks are in high demand in Bahrain. Furthermore, Bahrain has initiated several mega projects in infrastructure, oil & gas etc. in which a large fleet of manpower could be absorbed.

The FIFA world cup in Qatar is scheduled to be held in November, 2022 which will attract millions of visitors across the globe. Qatar is investing huge money in constructing stadiums & hotels. It is expected that 2 million overseas workers will be provided jobs for the completion of this project. The Pakistani side is in close liaison with the Qatari side in urging them to procure Pakistani manpower of different categories for the fulfillment of the said project. Furthermore, list of 100 well-reputed OEPs have also been shared with Qatar so that the future manpower for FIFA world cup may be imported through them.

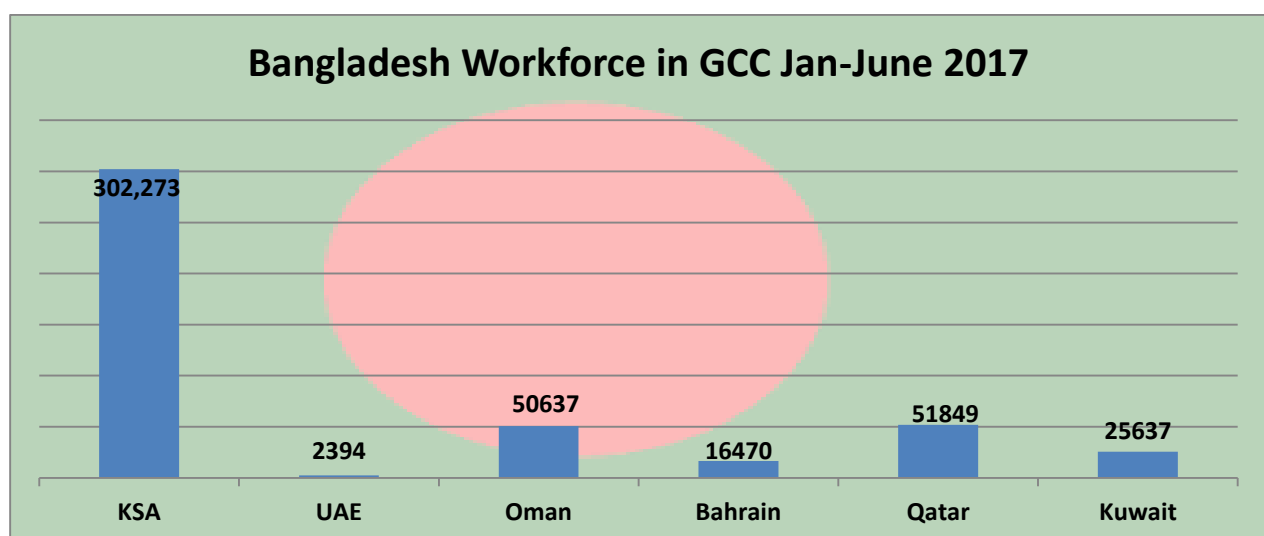
The manpower export towards Kuwait is at a rapid speed and it is expected that manpower from Pakistan would remained at increase in the future. The manpower of semi-skilled and skilled occupation is in demand. It is expected that the demand of highly qualified and highly skilled manpower would get increase in the forthcoming year

6. Regional Analysis of Export of Manpower



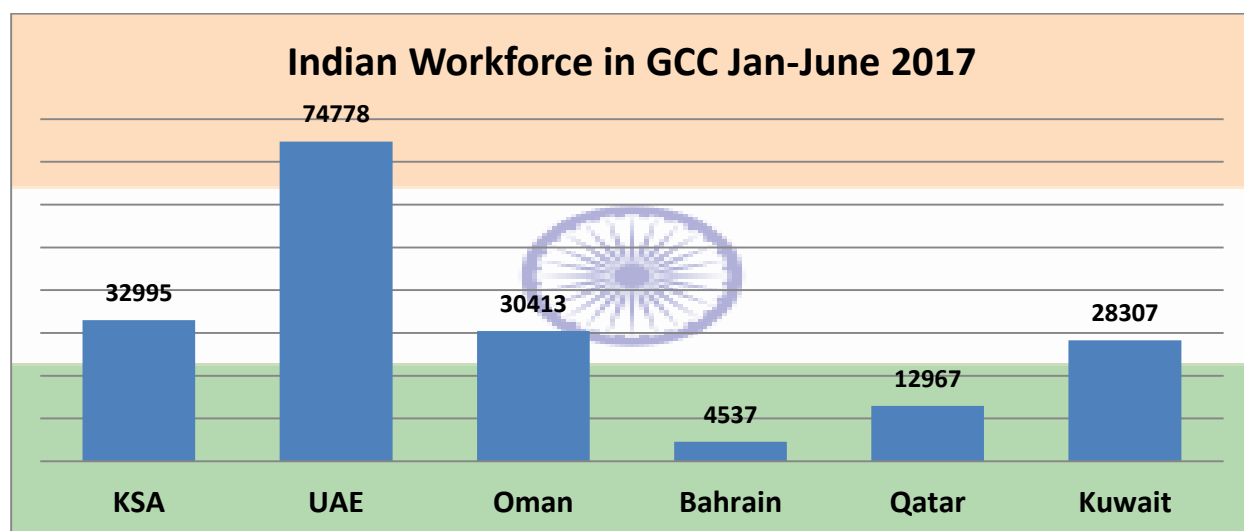
Source: (Bureau of Manpower, Employment and Training (BMET) Bangladesh, Bureau of Emigration and Overseas Employment, Pakistan, Ministry of External Affairs, Overseas Employment Division, India)

During the Jan-June 2017, 449,260 workers from Bangladesh proceeded to GCC countries followed by 255,230 and 183,997 Pakistanis and Indian workers respectively. The above graph indicates that Bangladesh is exporting more manpower to GCC countries as compared to Pakistan and India. It is pertinent to mention here that India is more affected than Pakistan in terms of export of manpower to GCC countries.



Source: Bureau of Manpower, Employment and Training (BMET), Bangladesh

The country wise data of Bangladesh highlights that, majority (302,273) of the workers proceeded to KSA which is highest number as compared to the total export of manpower of Pakistan and India to GCC countries. The reason of major increase of Bangladesh's export of manpower to KSA is the lifting of ban on Bangladeshi workers which was imposed on 2008. The ban had been in force for the last seven years and only 139,587 Bangladeshi workers proceeded to KSA in this period. The opening of the recruitment from Bangladesh to KSA was the result of the visit of Prime Minister of Bangladesh to KSA in June 2016. The PM of Bangladesh urged the Saudi investors to invest in Bangladesh in skill development training centres and their certification. Resultantly, Saudi investors have entered an agreement with Bureau of Manpower and Employment and Training (BMET) in Dhaka, Chittagong, Manikganj and Mymensingh. Bangladesh and KSA has signed a labour pact due to which 500,000 Bangladeshi domestic workers would proceed to KSA. For this purpose, 1000 recruitment centers are operational for processing of these workers. The recruitment of these workers would be processed through online portal called Musanid Platform. The impact of low oil prices affected the construction sector but the demand of domestic workers in KSA is on rampant.



Source: www.emigrate.gov.in

The above graph indicates the country wise detail of Indian workforce in GCC countries. Indian manpower is also facing the decline especially in KSA. In first six months of 2017, majority of the Indian workers proceeded to UAE followed by KSA, Oman and Kuwait.

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