IOE ASIA REGIONAL EXCHANGE ON COVID-19

SPEAKER –
MR. MOHAMED ALI JANAH

President- National Federation of Maldivian Employers (NFME)

27 MARCH 2020
ABOUT THE SPEAKER

Mr. Mohamed Ali Janah is a well known businessman in the Maldives, awarded the “National Award of Recognition, in the area of Architecture, Construction and Consultancy”, by the Government of Maldives in November 2017 and “Entrepreneur of the year 2018” by Maldives Business Awards.

He is the Chairman of Hotels and Resort Construction Pvt Ltd and also the:

* President – Maldives National Association of Construction Industry, MNACI
* 45th President – International Federation of Asian and Western Pacific Contractors’ Associations, IFAWPCA
* President – National Federation of Maldivian Employers, NFME

Mr. Janah also held various independent positions in the Government:

* Board of Director – Maldives Monetary Authority from January 2018 – May 2019
* Chairman – Maldives Building and Construction Board from January 2018 – May 2019

(www.maj-official.com)
CURRENT SITUATION IN MALDIVES

TOTAL CASES — 13
TOTAL RECOVERED — 9
ACTIVE CASES — 4
NATIONALITY OF AFFECTED — FOREIGNERS ONLY
LAST CONFIRMED CASE ON — 16 MARCH 2020

* Government of Maldives (GOM) closed from 19 March 2020
* All travelers except those booked as tourists to resorts, are quarantined in various quarantine facilities established around the country.
Various businessmen have donated their islands / resorts to the GOM to be used as temporary quarantine facilities, and we now have 10 facilities with 1158 rooms / 2288 beds.

The facilities are managed by the Ministry of Tourism.

Tree Top Hospital, the high class tertiary care hospital opened in 2015 in Hulhumale’, Maldives, has been donated by their owners to the GOM to be used as an ICU facility in case there is a further outbreak and to ensure there are enough beds to treat the patients in Maldives. Tree Top Hospital has over 200 beds.
TIMELINE OF ACTIONS TAKEN BY MALDIVES GOM

* First case confirmed in Maldives - 7 March 2020

* HPA created hotline 1676, HPA sends daily updates on phones – 7 March 2020

* Closed the resort from where first case was confirmed – 8 March 2020

* Schools closed – 9 March 2020

* Confirmed 2 cases in Sandies Bathala Resort and resort closed – 9 March 2020

* Temporary ban on travelers from Bangladesh – 9 March 2020

* Temporarily closed One and Only Reethi Rah for contact tracing, Kuramathi Island Resort temporarily closed – 10 March 2020 (more resorts continued to shut down and currently 50 resorts are closed)


* Excursions banned in Greater Male’ area, banned use of public grounds and parks -13 March 2020

* Bank of Maldives announced financing packages for tourism sector – 15 March 2020

* Extended schools closure / suspended tuition classes / closed cinemas – 15 March 2020

* Guest houses and city hotels temporarily closed – 17 March 2020

* Imposed 14 day compulsory quarantine for Maldivians arriving Maldives – 18 March 2020

* Government subsidized utility – 19 March 2020

* GOM closed – 19 March 2020

* Closed restaurants and food outlets in Greater Male’ – 20 March 2020

* Travel bans imposed over time on different countries and totally closed from 27 March 2020.
**STEPS BY THE GOVERNMENT OF MALDIVES HAS TAKEN TO COMBAT THE PANDEMIC**

* GOM extended the closure established on 19 March 2020, by another week, from Sunday 29 March onwards. This includes Schools and Universities.

* All staff at resorts will be quarantined for 14 days from the date of the departure of the last guest, and then allowed to leave the resort.

* Unless the disease is controlled globally we cannot say it will not spread in Maldives.

* On arrival visa has been temporarily suspended.
ECONOMIC DAMAGE MITIGATION MEASURES IN PLACE

* Bank of Maldives announced a moratorium for all loan payments allowing deferment of loan repayment by 6 months, which is added to the tenure.

* Utility bills are currently subsidized: 30% for water and 40% for electricity

* Reduction of internet pricing

* MVR2.5 billion economic aid package has been established. Loan applications for this package will be open from next week onwards.

* Loan scheme for wild tuna export companies has been established. Other measures for this industry will be announced next week.

* Farming – GOM plans to make a trading platform through State Trading Organisation Plc (STO), to enable sales of agricultural products while avoiding the transportation barriers

* Student loans – repayments suspended for 6 months.
ECONOMIC PACKAGE BY THE GOM

* MVR2.5 billion economic aid package established.

* GOM established economic packages for tourism facility operators on condition no Maldivians will lose their jobs due to this crisis.

* SME and home owners with housing loans can use the economic package to reduce burden on people who live on rent.

* Small businesses who operate without loans can apply for the economic package as GOM anticipates COVID-19 related repercussions on businesses for the next 12 months.
SOCIAL WELLBEING OF COMMUNITY

* STO assured availability of stock of staple food for 1 month, which will be available through their outlets in the atolls. STO estimates to increase the stock enough for 10 months by 15 April 2020.

* Oil stocks to be replenished and STO assures no disruptions.

* Currency swap transactions with India will be utilised to prevent a 3-4 month of currency shortage. Foreign loans will also be sourced to prevent dollar shortage.

* All Maldivians, NGOs and opposition has the opportunity to assist the COVID-19 prevention measures.

* Maldives has gone into lockdown. People cannot enter Maldives after 27 March 2020. No disruptions will be faced to essential services.

* GOM housing scheme flat rents also postponed for 6 months.

* GOM has plans to invest a lot more on fisheries storage package, farming and shipping investments will be detailed via the economic package, Maldives State Shipping Company will be established next month.
FOREIGN AID

* International Aid:
  ▪ World bank awarded a US$ 10 million grant.
  ▪ OPEC, AIIB, ADB – GOM in discussions with these parties for aid now.

* If the anticipated aid from foreign countries don’t materialize GOM assures financial institution like ADB, WB and IDB will be our alternative.

* No plans to take IMF loans. Terms would entail lowering number of civil servants. So this is not the time to privates and layoff civil servants.

* No international aid from individuals have been confirmed yet. Saudi promised US$ 50 million. The aid agreement will be signed as soon as Saudi open borders.

* Alibaba CEO’s aid to Maldives will reach Singapore tomorrow. If there is a need to bring the Chinese aid to Maldives, it will be brought via a special chartered flight.
CURRENT PICTURE OF TOURISM IN MALDIVES

* Tourism is the largest sector responsible for bringing foreign currency into the nation.

* Currently 50 resorts have suspended their operations. All resorts may go to shut down in the next 2 to 3 weeks temporarily with the entry ban which has come into effect as of 27 March 2020.

* Once the last passenger leaves from the local resorts, all staff will be quarantined for 14 days and then allowed to leave the resort.
AFFECTS ON INFRASTRUCTURE PROJECTS IN THE MALDIVES

* GOM is in discussions to find the lightest ways for existing loan repayments.

* The largest loan is currently from China and HEP has requested the Chinese President for a more relaxed loan payment terms.

* Thilafushi, Male’ Bridge construction will go on as planned. It is being built using a pre-agreed loan from India.

* There are no plans to halt the 10 billion worth PSIP projects in the pipeline now.
There has been several discussions with the board members and relevant authorities. The association has reached out to the members and liaised with the Maldives National Association of Construction Industry- MNACI to reach out to the following ministries and banks, explaining our concerns and proposals. We are proud that the GOM’s economic package and other decisions have been built on the input of such entities.

- The President’s Office
- Ministry of Finance
- Ministry of Tourism
- Ministry of Economic Development
- Ministry of Housing and Infrastructure
- Maldives Monetary Authority
- Bank of Maldives
- Habib Bank
- Mauritius Commercial Bank
- HSBC
- Bank of Ceylon
- Commercial Bank of Maldives
- Maldives Islamic Bank
LETTER SENT TO STAKEHOLDERS

Ref: L/NAAC1920/089

Mr. Timely Suyce
Chief Executive Officer
Bank of Maldives
Male’
Republic of Maldives

16 March 2020

Subject: Concerns of the Construction Industry in the Covid-19 Outbreak

With the outbreak of Covid-19 and the rising situation worldwide, it is proving to be a very difficult time for everyone, and in the association representing the second largest industry of Maldives, Maldives National Association of Construction Industry (MNACI) is trying to see how our members could support us during this period. The consequence on the economy has been significantly detrimental and already its effect can be seen in all businesses.

Subsequent to the discussions with our fellow members, we have come up with few possibilities that can be facilitated by banks:

- Faster arrangements for over-draft facilities for special purposes such as for payment of labor costs to their employees
- Waiver or discounts on monthly service fees
- Arrangements of working capital for companies
- Possibility of low interest, government guaranteed loans for businesses
- Extension of terms of loans and monthly repayment amounts, especially housing loans on condition to reconfigure the flexibility with their tenants
- Cash grants to small businesses
- Waiver or discount on late payment fees / fines on loans
- Introduction of a hotline or specific contact number for businesses to contact and discuss how the bank can assist their business

These are just a list of basic suggestions, which may be possible, or can lead to some ideas that can be implemented.

We will be grateful, if you will kindly grant us some time to meet the Executive Board Members of our association and discuss on this matter, or probably engage in a conference call considering the safety measures we must take now.

Thanking you for your support always.

Yours sincerely,

MOHAMMED JAHAN
PRESIDENT

Maldives National Association of Construction Industry (MNACI)
**FORECAST**

* We are aware how millions are getting unemployed in Europe and USA due to COVID-19. And we are happy to note that this is not the case in Maldives. Economic packages offered by GOM to the businesses are expected to help this process.

* HEP’s first estimate was 6 months and he still believes that. But we do have to factor in the status of destinations which tourists come from. HEP believes that in Maldives there will be a huge tourism boom in the last Quarter of 2020 and 1st Quarter of 2021.

* The effects of the pandemic is expected to stretch at least for a year.

* President’s target is to cure all cases who are already positive to COVID-19 in Maldives and prevent new cases.
WISHING YOU ALL GOOD HEALTH! Thank you

Main Information Sources:
www.covid19.health.gov.mv
www.presidency.gov.mv
www.bml.com.mv
www.immigration.gov.mv
www.health.gov.mv