



“Curbing Unemployment”

BMK HOUSE 4TH FLOOR SUITE 411, PLOT 4-5 NYABONG ROAD. EMAIL: info@uaera.org TEL: 0788708000

16th OCTOBER 2020

PRESS STATEMENT IN RESPONSE TO A PRESS RELEASE BY THE MINISTRY OF GENDER, LABOUR & SOCIAL DEVELOPMENT ON THE RESUMPTION OF EXTERNALIZATION OF LABOUR.

Greetings members of the Press Corps gathered here today.

Background:

Externalization of Labour was, until the spread of Covid-19 across the globe, one of the fastest growing sectors and was providing employment opportunities to thousands of Ugandans across the Middle East and other parts of the world. To date, there are more than 165,000 Ugandans who are gainfully employed in the Middle East through this program. According to the recent statistics, the annual remittances from migrant workers in the Middle East alone into the country currently had grown to over USD700 Million and domestically, the sector has also been contributing direct employment opportunities to over 4,000 Ugandans through the 200 Licensed Labour externalizing companies, several pre-departure training institutions and other numerous opportunities through back and forward linkages with sectors such as hotels, Airlines and transport.

In revenue terms, the sector has been contributing huge None Tax Revenue to government agencies through processing of passports, VISA fees (income to other countries, Interpol charges (98% of the Interpol Letters are from Labour recruiting companies, Bank charges and Vaccination payments against yellow fever of 100,000 per person and now the recently introduced COVID-19 PCR Certificate fee. This translates into billions of shillings for over 5,000 migrant workers that are externalized every month.

Currently, most of the licensed recruitment companies have closed shop, suspended operations due to rent, salary arrears and other operating costs in their places of operations after they spent the bigger part of the year without working and this has directly affected over 4,000 direct employees of these recruitment companies and their dependents.

There is also a growing concern within the sector that the prolonged closure of legal labour migration is fueling an increase in Human Trafficking as has been witnessed since the airport was opened on 1st October 2020. 31 ladies destined for the Middle East were intercepted by the Aviation Police on 12th October 2020, Yesterday, the

15th October 2020 another group of 44 ladies were also intercepted as they were being trafficked to the Middle East. These and many more cases of human trafficking that could have not been documented are happening because the industry is under closure.

On the 15th of October 2020, our attention was drawn to the Press Release issued by the Permanent Secretary Ministry of Gender, Labour & Social Development in the New Vision on the Resumption of Externalization of Labour. It states:

- 1. The Ministry is reviewing the current suspension of externalization of labour. Accordingly, the Minister of Gender, labour & Social Development has written to the Minister of Health seeking advice on the feasibility of reopening externalization of labour. This should of course be subject to fulfilment of COVID-19 Standard Operating Procedures put in place by Government of Uganda and other authorities in the respective destination countries:**

Our response to this is:

Whereas the MoGLSD is the line Ministry charged with the regulation of the industry, we would like to express our concern that many a time the Ministry takes sweeping decisions without engaging the respective labour companies directly or through their Association [UAERA]. it is not in doubt that labour exporting companies are key stakeholders in the industry. Therefore, whereas the suspension of externalization of labour was inevitable given the prevailing conditions [globally], the current move by the Ministry to unilaterally undertake measures directly affecting the labour companies is disturbing.

- 2. Even if clearance is given by the Ministry of Health and the National Taskforce on COVID-19, it is our considered view that the reopening should be phased. The first phase will start with clearance of all categories of migrant workers other than domestic workers:**
- 3. The slight delay in reopening of externalization of domestic workers is because the Government would like to put in place additional measures aimed at promoting and protecting the welfare and rights of Ugandan domestic workers abroad. To this end, the Ministry will engage all stakeholders including the private recruitment companies.**

Our response is:

The Ministry can confirm from the statistics in its records that almost 90% of labour recruitment companies are engaged in externalization of domestic workers. Whereas the Licences are issued for general categories, the dynamics in the market have dictated the categories the labour companies can reasonably engage in; in this case domestic workers. Therefore, the proposed phased reopening of the sector in the manner proposed is as good as extending the suspension. Moreover, in all this, neither the labour companies nor their leadership under the Association are being consulted.



UAERA and its membership are open to exploring modalities of safeguarding Ugandans and having a robust and well regulated industry and this can only be achieved with stakeholder engagement

The continued closure is having the below stated impact:

1. Unscrupulous individuals are exploiting the suspension to perpetuate Human trafficking which at the end of the day will be blamed on Labour Recruitment companies
2. Government is no longer realizing income from the Non-Tax Remittances estimated at UGX 2.2 Billion monthly as well as the foreign remittances estimated at USD 700M annually
3. Labour recruitment companies have had to close offices given the recurrent operational costs [majorly rent and salaries which they have found impossible to sustain]
4. Over 4,000 Ugandans directly employed by the labour recruitment companies have been rendered jobless
5. 35,000 employment opportunities for Ugandans have been lost in the last 7 months

In light of the above state of affairs the Labour Recruitment Companies have resolved as follows;

1. That all labour externalization companies will officially close business with immediate effect
2. That going forward, the general public is advised that following the closure of labour companies, they should consult the Ministry of Gender Labour and Social Development on all aspects pertaining to externalization of migrant workers
3. All foreign Partners and principals are advised to seek further information and consult the Ministry of Gender Labour and Social Development, respective Ugandan embassies and other Government Agencies

In conclusion therefore;

We appeal to the line Ministry to effectively engage the Association [UAERA] and the Labour Recruitment companies in a bid to collectively find sustainable solutions that will see the industry function with each stakeholder playing its role.

We would like to restate however, that, in all this, UAERA as the Association for all Labour Recruitment Companies in Uganda is open to engage with the Ministry and all other stakeholders on the subject of re-opening the industry. We remain open for dialogue

Yours Sincerely;

Baker Akantambira
CHAIRPERSON

