



NEWSLETTER

The latest news from EU-GCC project

International Equal Pay Day
18th September



EQUALIZING THE DIFFERENCE

In this issue

EU - Equal pay for equal work and action plan

WEF says “Equal Pay Is Coming. In the Year 2277”

What is Equal Pay

Corona Virus: Recovery plan for Europe

Corona Virus: Stimulus packages and Incentives extensions In Gulf Countries

Developments Summary And Tax COVID-19 Response Tracker

Editorial

There is no doubt, as some experts title it, that we are living in the ‘Coronavirus Era.’ The lockdowns in countries appears to have had a positive effect in retarding the spread of the virus. But as medical restrictions are eased, in the words of Dr. Margaret Harris of the World Health Organization, “Leaving lockdown does not mean back to the old ways”. It’s a “new normal”.

Given this new normal, what is being done to promote economic recovery in response to the critical conditions that have been created by Covid-19? This edition of the newsletter provides an update on the economic resilience and recovery packages in both the EU and the GCC first covered in our March issue.

It’s the imperative of our time to ensure we build a more resilient future. The next phase on the path to economic recovery is “Reimagination”—the opportunity to reinvent what is possible. As you will see in this newsletter, the journey along this path has already begun in both the EU and the GCC.

Douglas Aitkenhead - EU GCC Dialogue on Economic Diversification Project 18th of September 2020



EU: Equal pay for equal work and action plan

Equal pay for equal work is one of the EU's founding principles. EU countries must eliminate discrimination on grounds of sex with regard to all aspects and conditions of remuneration for the same work or for work of equal value.

The EU monitors the correct transposition and enforcement of the [Directive 2006/54/EC](#) on equal pay and supports EU countries to properly implement existing rules. The Directive 2006/54/EC consolidated existing directives on gender equality in the field of employment together with the case-law of the Court of Justice of the European Union.

The Commission also undertook a thorough evaluation of the existing framework on equal pay for equal work or work of equal value published in March 2020.

**IT'S TIME
TO CLOSE
THE GAP**

#EQUALPAYDAY



The gender pay gap Action Plan

The Commission adopted the [EU Action Plan 2017-2019: Tackling the gender pay gap](#) in November 2017. It addresses the various root causes of the gender pay gap through a holistic approach. Its 24 action points are distributed under 8 main strands of action, namely:

- Improving the application of the equal pay principle;
- Combatting segregation in occupations and sectors;
- Breaking the glass ceiling: addressing vertical segregation;
- Tackling the care penalty;
- Better valorising women's skills, efforts and responsibilities;
- Uncovering inequalities and stereotypes;
- Alerting and informing about the gender pay gap; and
- Enhancing partnerships to tackle the gender pay gap.

The Commission published a Report on the implementation of the EU Action Plan 2017-2019 on tackling the gender pay gap in March 2020.

For more information:

https://ec.europa.eu/info/policies/justice-and-fundamental-rights/gender-equality/equal-pay/eu-action-equal-pay_en

https://ec.europa.eu/info/sites/info/files/swd-2020-50_en.pdf

https://ec.europa.eu/info/sites/info/files/swd-2020-51_en.pdf



Equal Pay Is Coming. In the Year 2277

Open calls, World Economic Forum is out with its annual Global Gender Gap Report

The good news: A new report finds women and men in the workplace will eventually achieve gender parity. The bad news: That won't happen until right around 2277. The World Economic Forum's Global Gender Gap Report finds that at the current rate of change, the gender pay gap will take 257 more years to close, NBC News reports. That's up from the annual report's estimate last year of 202 years.

As the Forum explains in an article accompanying the report, the gender gap has narrowed overall since last year, but in the area of economics, it has widened. As for why that is, "women's participation in the labor market is stalling and financial disparities are growing". Just 55% of adult women are in the labor market compared to 78% of adult men; the average annual income for women around the world is \$11,500, compared to \$21,500 for men.

Source: <https://www.newser.com/story/284541/equal-pay-is-coming-in-257-years.html>

http://www3.weforum.org/docs/WEF_GGGR_2020.pdf

What is Equal Pay

What equal pay means

As set out in the Equality Act 2010, men and women in the same employment performing equal work must receive equal pay, unless any difference in pay can be justified.

It is the law and employers must follow it. You are at risk of an expensive employment tribunal case and reputational damage if you do not provide equal pay.

Defining equal work

There are three kinds of equal work:

like work is the same or broadly similar. It involves similar tasks which require similar tasks which

require similar knowledge and skills, and any differences in the work are not of practical importance.

work rated as equivalent has been rated under a valid job evaluation scheme as being of equal value in terms of how demanding it is.

work of equal value is not similar and has not been rated as equivalent, but is of equal value in terms of demands such as effort, skill and decision-making.

Source: <https://www.equalityhumanrights.com/en/advice-and-guidance/what-equal-pay>



Corona Virus: Recovery plan for Europe

To help repair the economic and social damage brought by the coronavirus pandemic, kick-start European recovery, and protect and create jobs, the European Commission proposed on 26 May a major recovery plan for Europe based on harnessing the full potential of the EU budget.

On 21 July 2020, the EU leaders [agreed on this recovery plan and the multiannual financial framework for 2021-2027](#), leading the way out of the crisis and laying foundations for a modern and more sustainable Europe. Negotiations with the European Parliament will now follow with a view to urgently finalizing the work on all legal acts. The Own Resources Decision, once adopted, should be approved by Member States as soon as possible, in accordance with their respective constitutional requirements.

Until the co-legislators - the European Parliament and the Council - have reached a final agreement, the below information presents the Commission's proposal from 26 May.

Mobilising investment

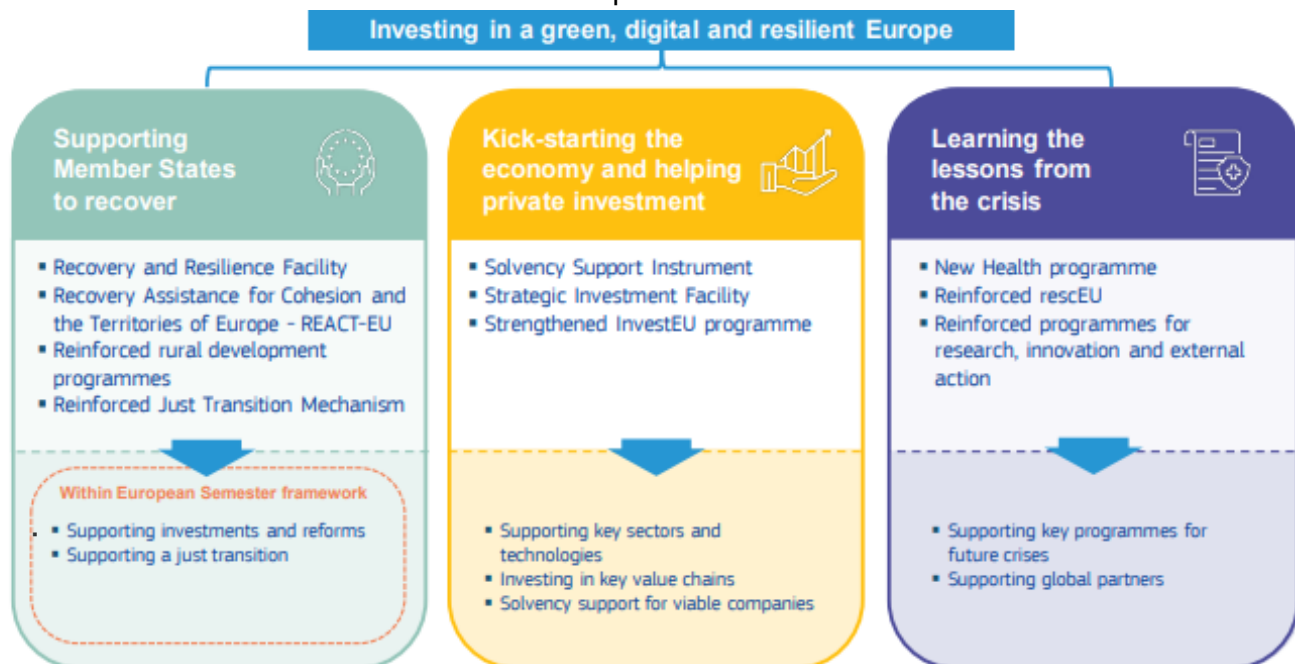
To mobilise the necessary investments, the Commission is putting forward a two-fold response:

Next Generation EU a new recovery instrument of €750 billion which will boost the EU budget with new financing raised on the financial markets for 2021-2024

A reinforced long-term budget of the EU for 2021-2027 (€ 1 100 billion)

The EU budget powering recovery and resilience

To ensure an effective EU response to the coronavirus crisis, which reaches out to everybody in the EU and to its global partners, the European Commission is mobilising a number of instruments. Next Generation EU will be rolled out across three pillars:



Source: https://ec.europa.eu/info/live-work-travel-eu/health/coronavirus-response/recovery-plan-europe_en

Source: European Commission

For more information: <https://www.consilium.europa.eu/media/45109/210720-euco-final-conclusions-en.pdf>

https://ec.europa.eu/info/sites/info/files/factsheet-gender_pay_gap-2019.pdf



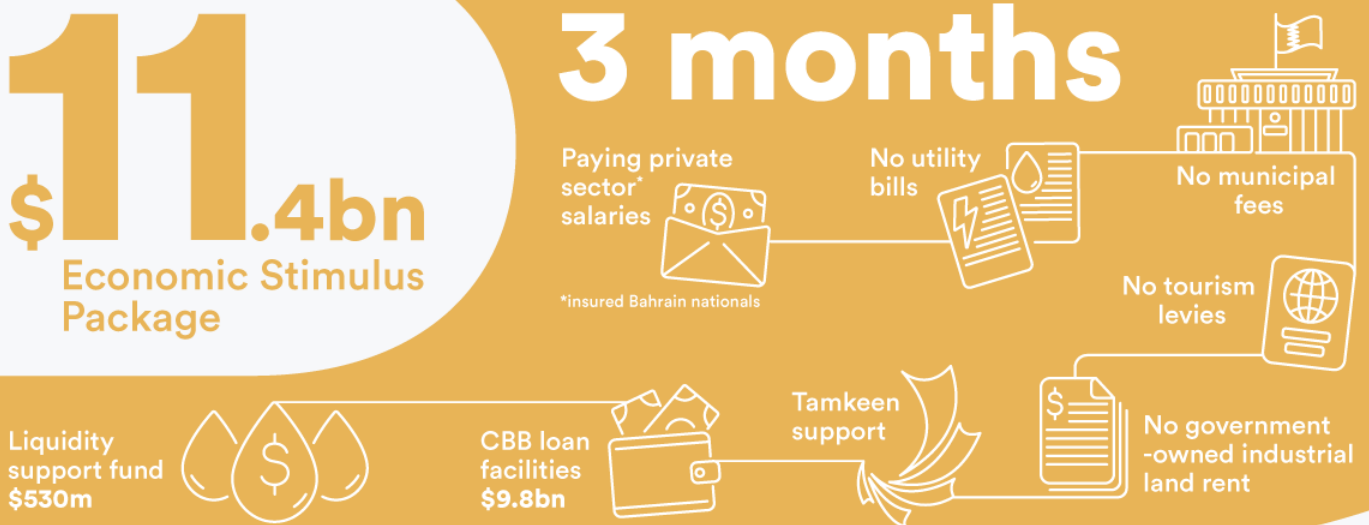
The Kingdom of Bahrain & Covid-19 - Bahrain's reaction to the global pandemic

At a time when public health is the utmost priority and global supply chains face unprecedented strain, all governments and businesses must work collectively to contain the virus and manage the economic disruption affecting us all.

The Government of Bahrain, led by the National Taskforce for Combating the Coronavirus, has recently announced various additional and/or extended measures aimed at supporting the economy, businesses, citizens and residents of Bahrain, with Bahrain again receiving praise from the Director General of WHO for its efforts.

11.4bn
\$
Economic Stimulus Package

3 months



COVID-19



KINGDOM OF BAHRAIN

Ministry of Finance and National Economy

BUSINESS
friendly
BAHRAIN

Extension of stimulus package:

The Government of Bahrain added approximately BHD177m (\$470m) to its 2020 state budget in emergency spending on fighting Covid-19, which is to be taken as a one-time reduction from the Future Generations Fund.

Some elements of the stimulus package announced earlier in the year were to cover the months of April, May and June. The Finance and National Economy Minister reported that certain stimulus measures would be extended, namely that:

For July, August and September the Government of Bahrain:

- support 50% of salaries for insured citizens employed in the private sector working for companies most affected by Covid-19, which would total approximately BHD70m (\$185m);
- pay Electricity and Water Authority utility bills for citizens' primary residences, which would total between BHD12m (\$32m) and BHD15m (\$40m) approximately; and
- Economic sectors most affected by Covid-19 will be supported by The Labour Fund (Tamkeen) with such sectors to be determined in accordance with the rules and conditions set by the Labour and Social Development Minister.



Tamkeen expanded with eligible start-ups now receiving 200% of the amount they were previously receiving and by supplementing 50% of income for taxicab drivers, public transport and bus drivers, driving instructors and kindergarten and nursery workers. The Bahraini Minister of Works, Municipal Affairs and Urban Planning, Esam Abdullah Khalaf, has issued an edict to reduce and exempt fees for 234 Bahraini families living in rented accommodation in June, supporting the Government's aim to reduce pressures of families and households.

Banks urged to postpone loan instalments in effort to mitigate fallout from coronavirus

The Bahraini government has decided to pay electricity and water bills on behalf of all citizens, the latest effort in the kingdom to mitigate the economic impact of the new coronavirus, the Bahraini news agency BNA has reported.

COVID-19: Bahrainis exempted from power, water bills for 3 months

Banks urged to postpone loan instalments in effort to mitigate fallout from coronavirus

The Bahraini government has decided to pay electricity and water bills on behalf of all citizens, the latest effort in the kingdom to mitigate the economic impact of the new coronavirus.

The move covers electricity, water and municipal fees for all Bahrainis in their first residence for three months, beginning October with the amount not exceeding the bills for the same period last year for each subscriber, the BNA added.

The government has also directed the Central Bank of Bahrain to urge all banks to postpone loan instalments for citizens affected by the coronavirus pandemic until the end of this year in a way that will not affect banks' liquidity or their financial solvency.

Bahrain has recently unveiled a \$11 billion stimulus package to aid the private sector in grappling with the fallout from the COVID-19.

Source: <https://www.bahrainedb.com/key-updates-on-covid-19/>

<https://www.lexology.com/library/detail.aspx?g=e554961e-0b96-486f-9724-8dc26bfc4fa>

<https://gulfnews.com/world/gulf/bahrain/covid-19-bahrainis-exempted-from-power-water-bills-for-3-months-1.73868136>

Kuwait: Government and institution measures in response to COVID-19.

The Kuwait government has announced a slew of measures with the aim to help the economy in the wake of addressing the implications of COVID-19.

Economic stimulus measures

Budget for ministries and government departments increased by KD 500 million for the fiscal year 2020/2021

Monetary and liquidity stimulants

Central Bank of Kuwait measures

Discount rate reduced to a historic low of 1.5 percent

Repo rates, overnight, one-week and one-month reduced to 1 percent, 1.25 percent, and 1.75 percent respectively



- Capital adequacy ratio lowered from 13% to 10.5%
- Risk weight for SMEs lowered from 75% to 25%
- Limit of financing increased from 90% to 100%
- Increase in LTV ratios by 1000 bps for RE financings
- Kuwait Banking Association announced a moratorium period up to 6 months on bank loans including waiver of interest and charges (if any for postponement) for retail clients (citizens and expats) and SMEs
- Postponing social security contributions by business owners in the private and oil sectors (not fully owned by the state) for a period of (6) months
- Expediting work cycle to ensure that the government pays amounts due, to the private sector at the earliest
- Providing government exemptions to the affected economic institutions in the manufacturing sectors and the cooperative societies from some government fees and dues (if these exemptions are passed through to their clients)
- Exemption for self-employed Kuwaitis registered under Chapter Five of Social Security Law from contribution towards insurance for a period of (6) months

Other measures

- Temporary fund established to receive financial contributions from locals in support of the government's efforts related to the outbreak
- Limit for contactless payments increased to KD 25 from KD 10 and fees on point of sales devices and ATM withdrawals suspended for three months

Liquidity measures

Additional financial support to SMEs

- Providing loans on concessional and long term basis to SMEs, through joint financing from local banks and the Kuwait National Fund for SMEs
- Assisting SMEs and agricultural projects by postponing the installments funded by the Kuwait National Fund for SMEs and the Industrial Bank of Kuwait

Relief for citizens

- Support for the salaries of those registered under Chapter Five of Social Security in the affected sectors
- Easing withdrawals from retirement pension

Relief for residents

- Establishing a mechanism to secure a minimum income that ensures the cost of living for workers affected by the current crisis
- Maintaining stability in the levels and prices of food and medical commodities in local markets

Source: <https://home.kpmg/xx/en/home/insights/2020/04/kuwait-government-and-institution-measures-in-response-to-covid.html>

For more information: <https://home.kpmg/xx/en/home/insights/2020/04/kuwait-government-and-institution-measures-in-response-to-covid.html#5>

Oman announces second stimulus package for economic revival

The Central Bank of Oman (CBO) has unveiled a slew of policy measures — the second since March this year — designed to strengthen the ability of banks and Finance & Leasing Companies (FLCs) to support the country's economic revival.

The new measures, set out in a circular issued by CBO Executive President Tahir bin Salim al Amri, grant a further extension of the timeline for the existing loan deferment scheme, enhance the tenor and limit of the Forex Swap facility provided by the Central Bank, revise the Loan to Value (LTV) ratio for housing loans and allow consideration of a relaxation of the Liquidity Coverage Ratio (LCR) for banks.

“In order to provide further stimulus for economic revival in the context of the prevailing situation and to (enable) banks and FLCs to continue supporting the affected borrowers, the following additional policy measures are announced by the Central Bank of Oman, which would come into force with immediate effect”, said Al Amri in the circular.



Importantly, as part of the latest measures, the apex bank has extended the validity of its Loan Deferment Scheme, which were unveiled at the onset of the pandemic in March this year, till the end of the first quarter of 2021.



“It has been decided to further extend the availability of the deferment scheme of loans/ instalments / interest for affected borrowers particularly SMEs, without adversely impacting the risk classification of such loans, till March 31, 2021,” the Central Bank stated.

Additionally, the maximum limit of the Central Bank’s Forex Swap facility was increased to 100 per cent of a bank’s net worth, up from the current joint ceiling on the Swap and Rediscounting of commercial papers facilities (25 per cent of a bank’s net worth). Further, the tenor of the facility was extended up to a maximum period of one year. The

maximum limit for Rediscounting of Commercial Papers facility will remain at 25 per cent of a bank’s net worth, it noted.

Seeking to provide relief to housing loan applicants, particularly first-time buyers of housing property, the CBO decided to reduce the Loan to Value (LTV) margin for housing loans to 10 per cent, down from the existing requirement of 20 per cent. This measure, it stressed however, is permitted only in respect of first-time home buyers of residential properties for own purposes. Nevertheless, banks are permitted to include the cost of registration and insurance in the value of the housing

property while computing the LTV in respect of all housing loans, it said.

Additionally, the maximum limit of the Central Bank’s Forex Swap facility was increased to 100 per cent of a bank’s net worth, up from the current joint ceiling on the Swap and Rediscounting of commercial papers facilities (25 per cent of a bank’s net worth).

Further, the tenor of the facility was extended up to a maximum period of one year. The maximum limit for Rediscounting of Commercial Papers facility will remain at 25 per cent of a bank’s net worth, it noted.



Seeking to provide relief to housing loan applicants, particularly first-time buyers of housing property, the CBO decided to reduce the Loan to Value (LTV) margin for housing loans to 10 per cent, down from the existing requirement of 20 per cent. This measure, it stressed however, is permitted only in respect of first-time home buyers of residential properties for own purposes. Nevertheless, banks are permitted to include the cost of registration and insurance in the value of the housing property while computing the LTV in respect of all housing loans, it said. Finally, on the issue of Liquidity Coverage Ratios (LCR), the Central Bank affirmed that the minimum standard currently remains unchanged at 100 per cent for LCR. "However, in case of genuine liquidity stress faced by a bank, the Central Bank of Oman may consider relaxation, on a case by case basis, by allowing the bank to temporarily operate below the minimum LCR requirement of 100 per cent but not less than a minimum LCR of 75 per cent", Al Amri said, adding that the relaxation facility is likely to be available until March 31, 2021.

The latest initiatives come just under six months since the Central Bank announced a raft of policy measures and financial incentives designed to unlock an estimated RO 8 billion in additional liquidity for the benefit of businesses impacted by the economic downturn and the COVID-19 threat.

Source: <https://www.omanobserver.om/oman-announces-second-stimulus-package-for-economic-revival/>

Qatar extends incentives for private sector affected by Covid-19 pandemic

In the implementation of the directives of the Amir HH Sheikh Tamim bin Hamad Al Thani to support and provide financial and economic incentives amounting to QR 75 billion for the private sector affected by the precautionary measures aimed at addressing the COVID-19 pandemic, and in accordance with the directives of His Highness to overcome all difficulties and obstacles facing the private sector, Prime Minister and Minister of Interior HE Sheikh Khalid bin Khalifa bin Abdulaziz Al-Thani directed during the regular cabinet meeting held at the Amiri Diwan today that:



- The exemption of food and medical goods from customs duties will continue for an additional three months. This should be reflected in the selling price to the consumer.
- The exemption from electricity and water fees will continue for an additional three months for the following sectors: the hospitality and tourism sector, the retail sector, the small and medium industries sector, the commercial complexes in exchange for providing services and exemptions to tenants, and the logistic areas.
- The exemption from rents for logistic areas and small and medium industries will continue for a period of three months.
- The ceiling of the National Guarantee Program that is managed by Qatar Development Bank will be increased from QR 3 billion to QR 5 billion, in addition to extending the program for an additional three months. Qatar Development Bank will issue the necessary controls and conditions for this
- The automatic renewal of expired licenses and commercial registrations will continue for an additional three months, provided that the fees due are paid later.



Vision 2030 helped in tackling pandemic: Saudi officials

Dr. Munir Eldesouki, assistant minister and Daniah Orkoubi, chief economist at the Kingdom's Ministry of Communications and Information Technology, were speaking in recent interviews with Oxford Business Group's online broadcasting channel, Global Platform. Dr. Eldesouki noted the knock-on effects of the progress made in the Kingdom's digital drive, which included increasing network capacity by over 30% well before lockdown. "This was to ensure that citizens and residents could continue to enjoy their digital tools and services without any interruption," Dr. Eldesouki noted. "It also allowed for continuous access to more than 3500 e-government services and 94% of government agencies were working remotely."

To mitigate the socio-economic pressure of the pandemic on businesses and citizens, Orkoubi said the government launched a SR220 billion

stimulus package, which included a special financing scheme, a lending program and deferred payment program to financial guarantees for small to medium-sized enterprises and exemption. More importantly, Orkoubi highlighted, was how the government adapted, redefined, and relaxed some regulations to encourage businesses to adopt virtual workplace practices. "In fact, the labor market is undergoing a major transformation which is paving the way to the introduction of job globalisation in the global workplace," she said. Dr. Eldesouki and Orkoubi underlined the effect of several global trends prompted by the pandemic, ranging from a decline in global trade and greater state intervention as a means of rescuing economies, to the acceleration of technology adoption, especially contactless economic systems.



Source: <https://saudigazette.com.sa/article/596970>

For more information: <https://home.kpmg/xx/en/home/insights/2020/04/saudi-arabia-government-and-institution-measures-in-response-to-covid.html>



Stimulus Packages All Set to Accelerate UAE Economy



The New Stimulus Packages involve the three-stage “flexible packages” which are formulated to help in the UAE economy growth along with profuse steps to encourage investments and the labour market in the Emirates.

The whole programme aims to establish various economical factors based on businesses, creating future opportunities while upgrading with the technology. The main key features include economic solidarity and also expansion and creation of new businesses in UAE.

Initiatives to bolster UAE economy

This vision concerned with the boost up in the UAE economy was proposed by Abdullah Bin Touq Al Marri, new Minister of Economy.

After a subsequent meeting at the Presidential Palace, the initiatives were approved by the UAE Cabinet on August 3, 2020.

Measures to reestablish economic environment

Since the successive downfall in the statistics due to the COVID-19 pandemic, there was a huge competition to sustain in the market.

There are certain vital steps that are taken in the direction of safeguarding businesses by cutting

down the employer recruitment cost, budget allocation to ventures, setting up a virtual labour market and also a policy to renew the visas of workers automatically which would allow individuals to stay at the workplace without going through the visa renewal process.

These measures are seen as the key features that could assist in the resurrection of the UAE economy.

Financial aid by Central Bank of UAE

Amidst the pandemic, when the situation became lamentable every month economically, there was no ray of hope that could be seen by the businesses and heads.

In March 2020, the Central Bank of UAE proffered an amount of Dh256 billion (\$70 billion) [stimulus package](#) to help the businesses sustain in the pandemic.

Businesses Setups in UAE revamps

In the month of July, positive economic growth statistics were observed in the Emirates.

UAE's non-oil private sector showcased a sign of growth last month, giving hope for an economically stronger future in the coming months.



Stimulus Packages All Set to Accelerate UAE Economy

According to the data from the UAE Purchasing Managers' Index, the ease in the restrictions after the lockdown during this situation of pandemic resulted in a marginal rise in the UAE economy.

The numbers went up from 50.4 to 50.8 in July. This positive rise in the statistics has opened up doors for new ventures to start along with reestablishing the business setups in UAE in the upcoming months. Though during all these months of low economic flow, there were no new opportunities for hiring and labour but believing the rise in the economy post the Expo 2020, a lot can be expected.

The Expo 2020 is seen as a boost up for the economy, which is currently experiencing a hiccup due to pandemic.

According to the state news agency, the small and medium-sized enterprises (SMEs) would be aided in the first stage of the plan proposed in order to encourage tourism in UAE.

The other two stages of the plan would be focusing more on the sustainability of businesses, which would, in turn, assist in the overall growth of the market in UAE.

Downfall in the UAE economy due to pandemic

- During this COVID-19 pandemic, there has been a significant dent in the UAE economy, as observed in these recent months.
- With no new setups and hiring to cut down in the labour market this year is observed with a low graph of the economy.
- The Central Bank of UAE affirms the downfall in the graph of the UAE economy at the end of this year by 4.1%.
- The non-oil private sector is expected to experience a huge fall by the end of this year due to the pandemic.

The economy of UAE is a key feature concerning people around the globe.

Source: <https://www.commitbiz.com/blog/stimulus-packages-all-set-to-accelerate-uae-economy>

COVID-19 Global Tax Developments Summary And Tax COVID-19 Response Tracker

The two consultancy firms, EY and KPMG, have introduced a global tax policy tracker to help businesses monitor rapidly and regularly emerging government policy and stimulus responses to COVID-19'

Governments around the world are acting decisively to protect their businesses and people from the economic disruption being caused by the COVID-19 virus pandemic. Whether through tax cuts, investment incentives or changes to filing deadlines, tax systems will play a significant part in helping to alleviate the financial and economic turmoil that is now occurring.

Policy changes across the globe are being proposed and implemented on a daily basis. Both trackers provides a snapshot of the policy changes that have been announced in countries around the world in response to the ongoing crisis.

It's important to note that, while these documents are updated on a regular basis, they have been prepared for general informational purposes only and are not intended to be relied upon as accounting, tax, or other professional advice.)

https://www.ey.com/en_gl/tax

<https://assets.kpmg/content/dam/kpmg/us/pdf/2020/03/covid-19-tax-developments-summary.pdf>



For more information, the editorial team suggests the links below:

European Union

<https://www.consilium.europa.eu/en/press/press-releases/?Page=1>

<https://ec.europa.eu/trade/trade-policy-and-you/publications/news-archive/>

Gulf Wide

<http://www.gdnonline.com/>

<http://gulfbusiness.com/>

<https://www.arabianbusiness.com/gcc>

Bahrain

<http://www.newsofbahrain.com/>

<http://www.bna.bh/en/index.aspx>

KSA

<http://www.arabnews.com/>

<http://saudigazette.com.sa/>

<https://www.spa.gov.sa/?lang=en>

Kuwait

<http://www.arabtimesonline.com/news/>

<http://news.kuwaittimes.net/website/>

<https://www.kuna.net.kw/Default.aspx?language=en>

Oman

<https://timesofoman.com/>

<http://www.omanobserver.om/>

<https://www.muscatdaily.com/>

https://www.omannews.gov.om/ona_eng/#/home

UAE

<https://www.khaleejtimes.com/>

<https://gulfnnews.com/>

<https://www.thenational.ae/>

<http://wam.ae/en>

Qatar

<https://www.qatarday.com/news-category/local>

<https://www.qatarliving.com/news>

<https://www.gulf-times.com/>

<https://www.thepeninsulaqatar.com/>



EU-GCC Dialogue on Economic Diversification

A project funded by the European Union

As always, we welcome your feedback on the topics and sectors that interest you most and you would like to see covered in future editions of the newsletter.

lbenhmida@eugcc.eu

eugccdialogue@gmail.com



@DialogueEu



eugccdialogue



FOLLOW US ON
facebook