

# Impact of Covid-19 on Decent Work

## Wage Digitization Digest-4<sup>th</sup> Edition

The Wage Digitization Digest is a monthly desk-based intelligence report produced by Synergos that sources from English-language media spanning a monthly timeframe specified in the digest. The report covers the impact on workers during Covid-19, in garment, coffee, and tea industries; with a focus on digital wages, gender equity, and worker wellbeing across Bangladesh, Cambodia, Ethiopia, India, Indonesia, Pakistan, and Vietnam. This month's research covers news sources from July 1 – July 14, 2020.

### Macro Global Trends

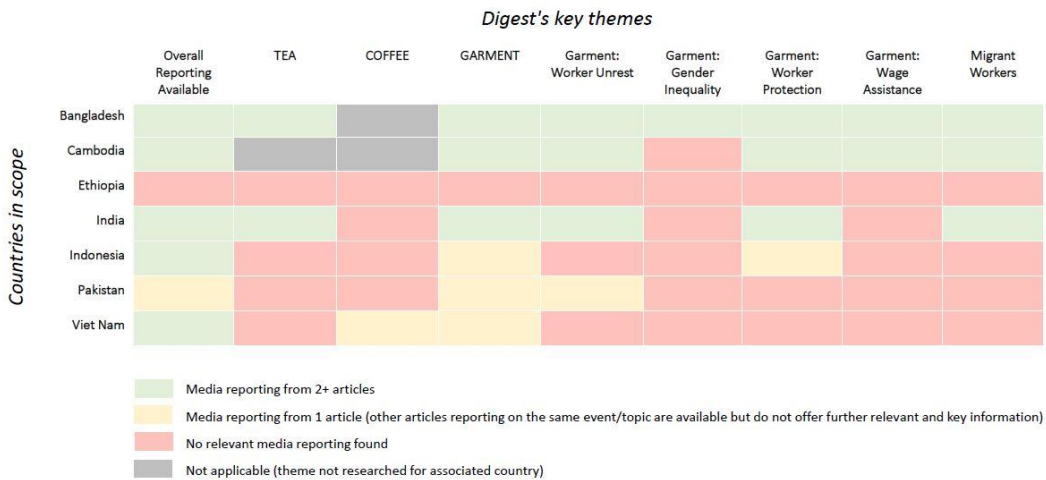
- 1. Labor violation concerns:** In India, the Karnataka Garment Workers Union (KOOGU) reports that workers who work at the toxic section of Arvind Ltd, producing denims for brands such as H&M, Levi's and Gap, are being physically assaulted, verbally abused and threatened with pay cuts and layoffs by supervisors for refusing to do extra hours ([Karnataka Garment Workers Union](#)). In Bangladesh, minimum wage negotiations in the tea sector have been put on hold on account of COVID-19 despite workers receiving below minimum wage rates ([The Daily Star](#)).
- 2. Labor union demands:** Labor unions have continued to put pressure on governments to uphold worker protections. In Cambodia, the Cambodian Confederation of Unions has urged the Prime Minister of Cambodia to intervene and provide payments to garment workers faster, as many workers have only received \$20 from the government after their work was suspended for more than two months ([VOD](#)). In India, a joint action committee of trade unions staged protests in several parts of Coimbatore on Friday (3 July) condemning the central government's new labor policies that threaten workers' rights. Trade unions have made specific demands of government, including withdraw its move to increase working hours to 12 hours, stop encouraging outsourcing methods to recruit people, and free ration for six months to the workers who lost their jobs, and COVID-19 insurance for frontline workers ([The Times of India](#)).
- 3. Impact on migrant workers:** Over 150,000 Bangladeshi migrant workers face uncertainty amidst COVID-19 as they wait to return to their workplaces abroad amidst a shortage of flights ([The Daily Star](#)). The government announced it will provide food assistance for the many Bangladeshi migrant workers who are now stranded in Bangladesh or returning home. In India, as many factories report labor shortages, employers are reviewing their labor policies and aiming to lure migrant workers back with incentives. Some companies are promising benefits such as free travel tickets, housing, and food to draw workers to urban areas, which has shown signs of working by full trains from Uttar Pradesh and Bihar ([Live Mint](#)).
- 4. Global payments:** Migration patterns and global economic changes are impacting payments and cash flow. As migrant workers from South Asia become jobless amidst the coronavirus crisis, remittances have severely decreased. The World Bank has estimated a 20% plunge in remittances to low and middle-income countries, accounting for the steepest plunge in history ([Bloomberg](#)). In contrast, the Bangladesh Bank reported a sharp uptick in remittances sent via banks in June 2020, higher than pre-COVID months dating back to July 2019 ([Trading Economics](#)). Some say it may be due to jobless expats/migrants overseas sending their savings before returning to Bangladesh ([Newage Bangladesh](#)). UNCDF held a webinar analyzing the hidden costs

of cash in the Ghana Cocoa Chain, notes can be found in a separate attachment. The biggest persistent challenge is the development of a digital ecosystem for workers to spend digitally.

5. **Gendered Effects:** In India, the Erode District Women's Federation organized a protest with more than 300 garment workers against the non-payment of wages and poor working conditions in garment factories ([Asia Floor Wage Alliance](#)). According to labor activists, employers in Bangladesh are avoiding paying maternity benefits to pregnant garment workers and purging union members. Since the Bangladesh Center for Workers' Solidarity began tracking cases four weeks ago, they have reports of the termination of dozens of pregnant workers from more than 30 factories – a number they expect to increase dramatically. Since May, the Sommilito Garments Sramik Federation has filed 50 lawsuits on behalf of sacked pregnant workers ([The Guardian](#)).

## High-Level Country Insights

Gates Weekly Digest 4 (July 5-14, 2020) News Availability



**Bangladesh:** Even though stores are beginning to reopen, orders to suppliers have remained low, leaving stores to sell leftovers pre-lockdown. In particular, leather goods have been impacted as exports have decreased by 22% ([The Daily Star](#)). According to labor activists, employers in Bangladesh are avoiding paying maternity benefits to pregnant garment workers and purging union members as orders plummet during the ongoing coronavirus crisis. Since Bangladesh Center for Workers' Solidarity began tracking cases four weeks ago, they have received reports of the termination of dozens of pregnant workers from more than 30 factories.

Protests have continued across major factory areas of Bangladesh with thousands of garment workers demanding their wages dating back to March and April ([The Daily Star](#)). The government's cash aid program has so far reached 3M people of the 5M it intends to assist. Cash aid has failed to reach 500,000 families due to discrepancies in beneficiaries' list ([The Daily Star](#)). Experts state that government should engage local NGOs in identifying people and businesses affected by the coronavirus crisis and delivering financial assistance to them for better management of the current challenges ([New Age Business BD](#)). While World Bank reports remittances at an all-time low in low to middle income countries, the Bangladesh Bank reported a sharp uptick in remittances sent via banks in June 2020, higher than pre-COVID months dating back to July 2019 ([Trading Economics](#), [Newage Bangladesh](#)).

**Cambodia:** Approximately 16% of the nearly one million garment workers in the country have been laid off ([The Asean Post](#)) and factory worker protests continue to demand their owed wages and pension payments. Cambodian Confederation of Unions has urged the Prime Minister of Cambodia to intervene and provide payments to garment workers faster. Many workers have only received \$20 from the government after their work was suspended for more than two months ([VOD](#)). The Prime Minister of Cambodia, said that the government has transferred \$40 per month to approximately 170,000 workers in the garment and tourism sectors, who have been suspended amidst the coronavirus pandemic ([FN](#)).

Over 100 Cambodian migrant workers have been arrested in the Sa Kaeo province. Cambodian migrant workers are risking arrest in order to find jobs, as they are unable to find employment in Cambodia ([The Thaiger](#)). Factory owners are buying plane tickets home for 20 Cambodian migrant workers trapped in Jordan for the last three months. The factory in Jordan has been closed due to lockdown and the workers are without income. After meeting with a labor rights group, the factory agreed to buy the plane tickets thought they have yet to do so ([The Cambodia Daily](#)).

**Ethiopia:** *No direct reporting on the effects of COVID-19 to Ethiopia's garment, tea, and coffee sector going beyond previous weeks was found for July 4 -15.*

**Indonesia:** Indonesia's retail sales index contracted by 20.6% in May, the biggest drop since 2008 ([The Jakarta Post](#)). Over 300 workers in three factories have tested positive for the COVID-19, however, the government has refused to disclose the names of the factories for fear of losing business from US and Europe ([IDN Times](#)).

**Pakistan:** Workers' rallies, with representatives from political and social organizations continued at the Karachi Press Club, calling for the forced retrenchment of workers to be stopped. It is feared that more than 18 million workers will lose their jobs in the coming days, augmenting the already growing population below the poverty line, which is currently at 50% (CCC Network). *Note: There is limited available information on Pakistan in the news and media.*

**India:** A joint action committee of trade unions staged protests in several parts of Coimbatore on Friday (3 July) condemning the central government's new labor policies that threaten workers' rights. The central government plans to merge 44 labor laws under four categories - (1) health and working conditions, (2) industrial relations, (3) social security and (4) safety and wages. Trade unions demanded that the government: Withdraw its move to increase working hours to 12 hours; Stop encouraging outsourcing methods to recruit people; Decrease the PF percentage from 12% to 10%; Free ration for six months to the workers who lost their jobs; Rs 7,500 in cash relief for three months to workers who lost their jobs; COVID-19 insurance for frontline workers ([The Times of India](#)).

As many factories report labor shortage as the economy reopens, employers are reviewing their labor policies as they try to lure migrant workers back with incentives. The Union cabinet has approved the development of affordable rental housing complexes (ARHCs) to ensure that thousands of migrant workers in cities have decent and affordable places to live. ([The Print IN](#)). In the tea sector, output fell 54% from year-over-year as restrictions to curb the spread of the novel coronavirus reduced plucking in the north-eastern state of Assam ([Reuters](#)). Now reopened since May, COVID-19 cases have increased as workers and migrants return ([The Economic Times](#)).

**Viet Nam:** In Viet Nam, the widespread economic impacts of COVID-19 are felt throughout the country. In particular, informal workers are suffering more than formal workers with monthly incomes decreasing by 8.4% vs. 4.7% for formal workers. The higher qualifications the workers hold, the lower

their income reduced ([VietNam News](#)). The tea and coffee sectors have disparate experiences in terms of growth; total coffee exports are up 3.7% in volume and 2.5% in value in comparison; tea exports are down more than 10% compared to 2019. Garment production has declined by 6.3% ([Just-Style Apparel Sourcing](#)).

## Additional Recommended Articles

1. **Asia Floor Wage Alliance** – [“The Emperor Has No Clothes, Garment Supply Chains in the Time of Pandemic, Issue III.”](#) July 2020, Web.
2. **The Guardian** – [“We are on our own: Bangladesh's pregnant garment workers face the sack.”](#) July 9, 2020, Web.
3. **Bloomberg** – [“The Remittance Rush May Be Over For Good.”](#) July 6, 2020, Web.

## Detailed Country Insights

### Bangladesh

**Economy:** Even though stores begin to reopen, orders to suppliers have remained low, leaving stores to sell leftovers pre-lockdown for the fall. Retailers are leaving buying decisions to the last minute, resulting in more pain for Asian suppliers ([Dhaka Tribune](#)). Local factory owners said most of them are running at 80% capacity as the buyers are coming back with work orders on a limited scale. Manufacturers fear the slow-down of retail sales in the EU and US as a second wave of infections hit export destinations ([The Daily Star](#)).

The leather goods industry has been severely impacted by the slump in global sales, as exports in these sectors have decreased by 22% this year. In light of the situation, the Leather Goods and Footwear Manufacturer & Exporter's Association of Bangladesh (LFMEAB) has urged the Export Promotion Bureau (EPB) to withdraw source tax on export subsidy to help the industry recover amid the coronavirus fallout ([The Daily Star](#)). The leather sector argues that the largest exporters, such as the garment sector, receive preferential treatment to aid in recovery that the leather sector does not receive ([The Daily Star](#)).

**Worker Unrest & Job Loss:** Protests have continued across major factory areas of Bangladesh with thousands of workers demanding their wages dating back to March and April along with the reopening of factories that suddenly closed for “electricity repairs” without paying workers and have not reopened since ([The Daily Star](#)). Factory management has reassured payment and that they will address the matter but protests have continued as no outcome has yet to be seen ([The Daily Star](#)). Unions and other labor activists have organized workers and engaged in dialogue with factory management but with little positive outcomes ([CCC Network, IndustriALL](#)). Factories include Alif Casual Wear, Euro Clothing Company II and Dipta Apparels Ltd ([International Committee of the Fourth International](#)).

According to industrial police data, a total of 29,369 workers, most of whom worked in the garment sector, have lost their jobs since Eid-ul-Fitr, as factory owners adopted cost-cutting measures on the pretext of lack of work orders amidst the coronavirus pandemic. Labor leaders, however, claim the number of laid-off workers is three times higher, as many factories are out of the jurisdiction of the industrial police. According to the data, a total of 21,557 garment workers have been laid-off. 18,916 are

from 104 BGMEA-factories, 2,377 from 20 factories listed with the BKMEA and 264 from five mills under the BTMA ([Newage Bangladesh](#)).

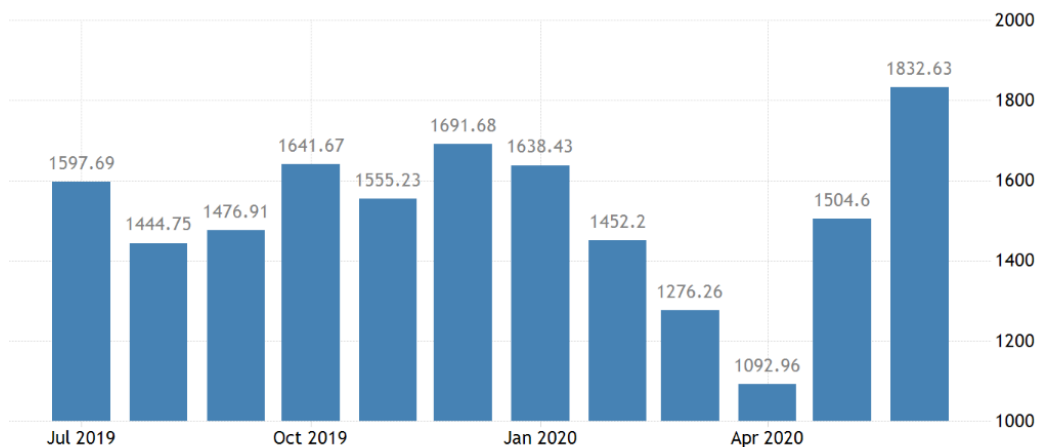
**Gender Inequality:** According to labor activists, employers in Bangladesh are avoiding paying maternity benefits to pregnant garment workers and purging union members as orders plummet during the ongoing coronavirus crisis. Since Bangladesh Center for Workers' Solidarity began tracking cases four weeks ago, they have received reports of the termination of dozens of pregnant workers from more than 30 factories – a number they expect to increase dramatically as workers are fired every day. Since May, the president of the union Sommilito Garments Sramik Federation has filed 50 lawsuits on behalf of sacked pregnant workers ([The Guardian](#)).

**Worker Protection:** According to the BGMEA, 346 garment workers have tested positive for COVID-19 and, so far, 202 have recovered. Manufacturers' associations "claim this as their success", while labor leaders say that the figure is so low because most garment workers haven't had access to tests ([Newage Bangladesh](#)). The Prime Minister of Bangladesh, Sheikh Hasina, called for a "vigorous worldwide response" with the participation of all countries to combat the adverse impacts of the coronavirus pandemic on migrant workers. This includes compensation and other dismissal benefits paid in full along with safety and health benefits. The PM shared this at an ILO virtual global summit ([New Age Business BD](#)). Business leaders, academics, and unions are urging the Bangladesh government to reorganize its economic and development policies in line with the changed global scenario amidst the coronavirus pandemic to protect jobs and livelihoods. Demands include extending the stimulus package to informal workers, bringing unemployed workers under social protection, and demanding the reinstatement of who were fired illegally and lawful benefits for those who were retrenched for the lack of work orders ([Newage Bangladesh](#), [Newage Bangladesh](#)).

**Migrant Workers:** Over 150,000 Bangladeshi migrant workers face uncertainty amidst the coronavirus pandemic as they eagerly wait to return to their workplaces abroad amidst a shortage of tickets for the limited number of flights leaving Dhaka. Migrant workers might lose their jobs and have their visas cancelled if they fail to reach the countries on time. Some have had to borrow large quantities of money in order to purchase flights before their visas expired ([The Daily Star](#)). The Bangladesh government has announced that it will provide food assistance for the many Bangladeshi migrant workers who are now stranded in Bangladesh or currently returning, mainly from the Middle East and Southeast Asia. According to government data, so far, around 21,000 Bangladeshis have returned to the country since April and warned that more could return in the coming months, as many migrant workers have lost their jobs abroad amidst the coronavirus crisis ([The Daily Star](#)).

As migrant workers from South Asia become jobless amidst the coronavirus crisis, remittances, on which many families and national economies depend, severely decrease. Overall, the World Bank has said that it estimates a 20% plunge in remittances to low and middle-income countries - the steepest plunge in history ([Bloomberg](#)). In contrast, the Bangladesh Bank reported in June a sharp uptick in remittances sent from overseas after low levels February-April and a slight rise in May 2020 ([Trading Economics](#)). This led to an inflow of remittance in FY20 at 10.88% or \$1.79 billion higher than the \$16.52-billion remittance received in the previous fiscal year. The Policy Research Institute hypothesized that joblessness of expats and/or migrant workers may have prompted them to send money from their savings before coming back to Bangladesh ([Newage Bangladesh](#)).





SOURCE: TRADINGECONOMICS.COM | BANGLADESH BANK

*\*\*Money in USD\$*

**Wage Assistance:** The government's cash aid program, announced May 14, has so far reached 3M people of the 5M it intends to assist. The Minister said that the distribution process for the 2M people who are yet to receive aid is underway. The Finance Division in an order recently said that listed people will have to open a Tk10 bank account with the recommendation of their upazila nirbahi officer (UNO) to get the money. Listed families mostly received Tk2,500 via MFS but many did not get it yet due to unavoidable challenges ([Dhaka Tribune](#)). Cash aid has failed to reach 500,000 families due to discrepancies in beneficiaries' list ([The Daily Star](#)). Experts have said that the government should engage local NGOs in identifying people and businesses affected by the coronavirus crisis and delivering financial assistance to them for better management of the current challenges ([New Age Business BD](#)).

H&M Foundation has announced a long-term project that aims to support women garment workers in Bangladesh with a primary fund of \$1.3 million, starting with their urgent needs connected to COVID-19. The initial support will include cash assistance for food, medication and other necessities, health care and COVID-19 testing, hygiene materials and hand-washing facilities. "As a first step, \$1.3 million is donated to WaterAid, CARE and Save the Children to provide around 76,000 young women, their families, and community members in around Dhaka with emergency relief, also reaching 1 million people with messages on COVID-19 and hygiene practices", H&M Foundation's statement reads ([Dhaka Tribune](#)).

**Tea:** Minimum wage negotiations and adjustments in Bangladesh in tea have been further delayed due to pandemic health risks and economic impacts. The minimum wage board said it would not work to fix the minimum wage considering the current situation with the global pandemic. Currently these workers receive less than minimum wage in pay and other compensation and many workers are working amid infection risks ([The Daily Star](#)).

### Cambodia

**Economy:** According to a World Bank study, the COVID-19 crisis will put around 1.76 million jobs at risk as a result of losses in tourism, manufacturing and construction, which together account for more than 70% of growth and 40% of employment. So far, about 16% of the nearly one million garment workers in the country have been laid off ([The Asean Post](#)).

**Worker Unrest & Job Loss:** Across the Svay Rieng province, more than 10,000 workers from 18 factories have been suspended as of July 2 ([The Star](#)). Workers protesting the firing and missing wages from Hana1

Inc factory demanded government intervention at the Prime Minister's residence. Government officials engaged in negotiations with the company but the company only agreed to pay them last month's salary, payment in lieu of unused annual leave and seniority indemnity ([Khmer Times](#)). Workers are continuing to urge for a better solution, signing petitions and continuing protests ([Camboja News](#)). Over 500 workers from Dignity Knitter and Eco Base garment factories have followed suit, demanding government intervention to receive out-of-work compensation at the Prime Minister's home. The Kandal provincial governor has vowed finding a solution. Workers have made clear that, if the governor fails to find a solution, workers will march to the PM's house again ([VOD](#)).

**Worker Protection:** A group of trade unions federations, associations and workers' representatives from all sectors has, once again, submitted a petition to the Prime Minister's Cabinet urging the PM to encourage employers to pay retirement payments and seniority pay to workers during the COVID-19 crisis. These payments, they argued, are much needed due to the impact of COVID-19 on salaries and hours. This is the second petition the group of unions have submitted after the first drew no response from the Ministry of Labor and Vocational Training ([Cambodianess](#)).

Nearly 2,000 recently laid-off workers from five factories located in Bavet town have attended a soft skills training event organized by the Ministry of Labor and Vocational Training to increase their chances of getting new jobs in the future ([The Phnom Penh Post](#)).

**Migrant Workers:** Over 100 Cambodian migrant workers have been arrested in the Sa Kaeo province. Cambodian migrant workers are risking arrest in order to find jobs, as they are unable to find employment in Cambodia ([The Thaiger](#)). Factory owners are buying plane tickets home for 20 Cambodian migrant workers trapped in Jordan for the last three months. The factory in Jordan has been closed due to lockdown and the workers are without income. After meeting with a labor rights group, the factory agreed to buy the plane tickets though they have yet to do so ([The Cambodia Daily](#)).

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**Wage Assistance:** Cambodian Confederation of Unions (CCU) has urged the Prime Minister of Cambodia to intervene and provide payments to garment workers faster, as many workers have only received \$20 from the government after their work was suspended for more than two months ([VOD](#)). Hun Sen, the Prime Minister of Cambodia, said that the government has transferred \$40 per month to approximately 170,000 workers in the garment and tourism sectors, who have been suspended amidst the coronavirus pandemic ([FN](#)).

## Ethiopia

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## India

**Worker Unrest & Job Loss:** A joint action committee of trade unions staged protests in several parts of Coimbatore on Friday (3 July) condemning the central government's new labor policies that threaten workers' rights. The central government plans to merge 44 labor laws under four categories - (1) health and working conditions, (2) industrial relations, (3) social security and (4) safety and wages. Trade unions demanded that the government: Withdraw its move to increase working hours to 12 hours; Stop

encouraging outsourcing methods to recruit people; Decrease the PF percentage from 12% to 10%; Free ration for six months to the workers who lost their jobs; Rs 7500 in cash relief for three months to workers who lost their jobs; COVID-19 insurance for frontline workers ([The Times of India](#)). The Asia Floor Wage Alliance (AFWA) reports that the Erode District Women's Federation organized a protest attended by more than 300 garment workers against the non-payment of wages and poor working conditions in garment factories, including lack of health and safety measures during the coronavirus pandemic ([Asia Floor Wage Alliance](#)).

For over a month now, over 600 women garment workers have been sitting in protest against the illegal layoffs in the factory premises of the ECC 2 unit of Gokaldas Exports Limited (GE), located in Srirangapatna ([BehanBox](#)). It has been over a month since the negotiations between workers, labor department officials and representatives of the Euro Clothing Company (ECC) II started, but no resolution has been reached ([The News Minute](#)).

**Worker Protection:** The Karnataka Garment Workers Union (KOOGU) reports that workers who work at the toxic section of Arvind Ltd, producing denims for brands such as H&M, Levis and Gap, are being physically assaulted, verbally abused and threatened with pay cuts and layoffs by supervisors for refusing to do extra hours ([Karnataka Garment Workers Union](#)).

**Migrant Workers:** As many factories report labor shortage as the economy reopens, employers are reviewing their labor policies as they try to lure migrant workers back with incentives. Some companies are promising benefits such as free travel tickets, housing, and food to draw workers to urban areas. Incentives seem to be working, as Indian Railways' train services to various cities from Uttar Pradesh and Bihar are running full, according to a report in the Times of India ([Live Mint](#)). A video of an owner of a garment unit in Tirupur preventing around 40 migrant workers from boarding a Shramik train to return home arises concerns of employers forcing workers to stay ([The New Indian Express](#)). State governments are planning to serve migrant workers with affordable housing, food, and cash aid after a ruling by the Supreme Court and the Madras High Court that this is government responsibility ([DT Next](#), [Live Law](#)). The Union cabinet has approved the development of affordable rental housing complexes (ARHCs) to ensure that thousands of migrant workers in cities have decent and affordable places to live, renting out existing vacant government-funded houses between Rs 1,000 and Rs 3,000 per month ([The Print IN](#)).

As migrant workers from South Asia become jobless amidst the coronavirus crisis, remittances, on which many families and national economies depend, severely decrease. Overall, the World Bank has said that it estimates a 20% plunge in remittances to low and middle-income countries - the steepest plunge in history ([Bloomberg](#)).

**Tea:** India's April tea output fell 54% from a year earlier to 39.02 million kilograms (kg) as restrictions to curb the spread of the novel coronavirus reduced plucking in the top producing north-eastern state of Assam ([Reuters](#)). The lockdown came at the worst possible times for Darjeeling tea, just as the first flush was being picked. The first flush accounts for 40% of the Darjeeling revenue each year. Plantations were briefly closed which disrupted first flush picking. Now reopened since April/May, COVID-19 cases have increased as workers and migrants return ([The Economic Times](#)). However, Indian tea exports to China and Iran have taken off despite the economic uncertainty due to Covid-19 and the standoff between India and China on border issues ([The Economic Times](#)).



## Indonesia

**Economy:** Indonesia's retail sales index contracted by 20.6% in May, the biggest drop since 2008. Indonesia booked its lowest GDP growth in 19 years for the first quarter of 2020. While the Central Bank projected the retail sales index in the second quarter to contract, hope is that by the 3rd quarter recovery should begin ([The Jakarta Post](#)).

**Worker Protection:** Over 300 workers in three factories in Semarang City, Central Java, have tested positive for the COVID-19. The government is refusing to disclose the names of the factories as it is afraid that the disclosure will make the US and European buyers move their orders elsewhere ([IDN Times](#)).

## Pakistan

*\*\*Colleagues on the ground have confirmed that there is minimal coverage on the impacts of COVID-19 on the garment industry since the initial months of March-May. Throughout June and July, the garment export industry has been recovering due to the falling rupee and factory adjustments to supply PPE. The domestic industry is still suffering.*

**Worker Unrest & Job Loss:** The National Trade Union Federation Pakistan (NTUF), the Home Based Women Workers Federation (HBWWF), the Haqooq-e-Khalq Movement and other organizations organized a rally at the Karachi Press Club, that was attended by hundreds of workers and representatives of political and social organizations, calling for the increase in petroleum products to be withdrawn and the forced retrenchment of workers to be stopped. More than six million workers have lost their jobs in the last six months and that it is feared that more than 18 million workers will lose their jobs in the coming days. Right now, more than 50% of the country's population has been forced to live below the poverty line, suffering from malnutrition and starvation (CCC Network).

## Viet Nam

**Economy:** More than 30.8 million people aged 15 and above have been adversely affected by COVID-19, either losing their jobs or having their salaries seriously slashed. 17.6 million people have had their incomes reduced. 68% of laborers in manufacturing and construction and 25% in agriculture, forestry, and aquaculture were affected. The labor force shrank by 2.2m from the previous quarter and nearly 1.3M people were out of work last quarter. The reductions are the biggest in the last ten years. Informal workers are suffering more than formal workers; monthly income dropped by 8.4% and 4.7% year on year respectively. The higher qualifications the workers hold, the lower their income reduced ([VietNam News](#)).

**Coffee:** Total coffee exports were up 3.7% in volume and 2.5% in value in the first half of 2020 compared to 2019, but overall domestic coffee prices have decreased and continue to do so. The lower prices on the domestic market meant farmers could not sell coffee that lead to a difficulty for traders and exporters in purchasing coffee for export ([Vietnam News](#)).

**Tea:** The government should support corporations with financial resources to help the domestic tea industry add value, branding, and sales. Tea has been greatly affected by the pandemic. Tea exports are down more than 10% in the first 5 months of 2020 compared to the previous year. Many traditional markets are closed and new contracts require deep discounts and delays. Some are trying to restructure the market and get USDA approval to sell organic. Tea production in Vietnam has returned to normal as

they have done well in containing the virus, other countries with large tea production are still in disease control stage which may result in a tea price fall globally ([VietNam News](#)).

**Garment & Footwear:** Vietnam’s footwear exports have decreased by 7% in the first half of the year, which is, according to the Ministry of Industry and Trade, part of the overall “sharp decrease” in manufacturing that the country’s sectors have felt during the January to April period. Garment production has declined by 6.3%, compared to an increase of 8.8% in the same period last year ([Just-Style Apparel Sourcing](#)).

## About the Digest

This digest is produced by the Advisory arm of [Synergos](#), which provides strategic counsel, research, and insights for socially minded organizations. If you would like to be added to the mailing list, please contact [advisory@synergos.org](mailto:advisory@synergos.org). All information is public and can be forwarded.

This digest is commissioned by the Bill & Melinda Gates Foundation as a component of ongoing dialogue on the importance of wage digitization to accelerate financial inclusion and promote women’s economic empowerment. You can learn more about responsible wage digitization by visiting: [BSR HERProject](#), [Better than Cash Alliance \(BtCA\)](#), and Microfinance Opportunities (MFO).

