

Turkey desperate for swap lines as recession looms

Thu, 2020-05-07 21:33

ISTANBUL: Turkey's hopes of securing access to US swap lines have taken a nosedive with the Federal Reserve highlighting the need for "mutual trust" with any applicant country.

The Fed's statement on Wednesday added weight to predictions that a US swap line with Turkey seems unlikely as Ankara struggles to deal with mounting economic woes.

Asked about extending swap lines to Turkey, Richmond Fed President Thomas Barkin said that the Federal Reserve opens swap lines with countries that have a relationship based on mutual trust with the US.

During the online forum, Barkin also noted that the Fed requires high credit criteria, adding that "it does not cover all countries."

"Fed's Barkin more or less rules out swap lines for Turkey," tweeted European economist Timothy Ash.

On the same day, Turkey's state-run Anadolu Agency claimed that London-based financial institutions are attacking the Turkish lira by using manipulative operations to devalue the currency.

Meanwhile, Turkey's battle to halt the currency's fall suffered a further setback this week with state banks reportedly selling dollar assets while the lira fell to lows of 7.49 to the US dollar early on Thursday.

The coronavirus pandemic has piled added pressure on Turkey's national currency, pushing it back to 2018 crisis levels when the lira hit a record low, and triggering predictions of a full-year recession.

Experts say that the way out of the currency crisis is either to ask the International Monetary Fund (IMF) for emergency assistance or gain access to the Fed's swap line.

Turkey's financial authorities recently hinted at the possibility of swap deals with a number of foreign central banks in order to strengthen currency liquidity.

"It looks very unlikely that the Fed will agree to a swap line with Turkey," said Nigel Rendell, a senior analyst at Medley Global Advisers in London.

Political relations between the US and Turkey are far from good, he said.

"Many US politicians and those at the Pentagon have not forgiven Turkey for buying the Russian S-400 missile system in clear violation of NATO protocol. Other issues relating to state-run Halkbank and US-based cleric Fethullah

Gulen have caused friction between the two countries," he told Arab News.

According to Rendell, Turkey wants to use US dollars to prop up its ailing currency.

"Turkey's central bank has already burned through a considerable amount of cash this year and is now using borrowed funds from commercial banks and other central banks while swap facilities are in place with China and Qatar. It's effectively throwing good money after bad," he said.

In a surprise move on Thursday, Turkey's banking watchdog BDDK introduced regulations targeting what it described as "financial manipulation" and "deceptive transactions."

Banking transactions that keep the price of a financial instrument at artificial levels or influence the exchange rate will be viewed as "manipulative practices" under the ruling.

Experts predict the Turkish economy will fall into recession this year.

"Despite recent suggestions from Turkish Treasury and Finance Minister Berat Albayrak that there will be positive growth for the year as a whole, given the effects of the coronavirus, like elsewhere, a recession is inevitable," Rendell said.

Ash said that the "the lira will weaken until we see a policy response," citing a rate hike, massive foreign exchange intervention or a plea to the IMF as possible policy responses.

But he said that an intervention on foreign exchange rates is unlikely unless the central bank gets FX swaps from friendly central banks.

In a recent interview, Ali Babacan, Turkey's former economy chair and ex-ally of Turkish President Recep Tayyip Erdogan, said that "the IMF won't be sufficient to meet Turkey's foreign financing needs even if the government were to request assistance, making currency swap deals with other central banks a necessity."

However, Babacan, who is now leads a breakaway party challenging the ruling Justice and Development Party, said: "Turkey's increasingly bellicose foreign policy makes such an arrangement more difficult.

"There is no such thing as exporting to countries we're quarrelling with and asking for swap deals as if nothing happened," he said.

Rendell compared the request for a swap line with the Fed to a gambler who has run out of money going to the bank and asking for a loan so he can go back to the gambling tables.

"Apparently, Turkey is also looking elsewhere for swap lines, to other G20 members and also to its major trading partners. It may have more luck there than with the Fed," he said.

During an online meeting with international investors on Wednesday, Albayrak announced that Turkey is negotiating one-to-one swap deals with G20 countries with which it has a trade deficit and also a free trade agreement.

However, Ankara still rejects any swap line talks with the IMF.

By relaxing coronavirus restrictions by next week, Turkey intends to restart its retail and manufacturing sectors, but tourism and export sectors still need time to recover.



Main category:

[Middle-East](#)

Tags:

[Turkey](#)

[US swap lines](#)

[Federal Reserve](#)

[Coronavirus](#)

Turkish lira plunges as finance minister fails to reassure market on Fed support Turkey 'will run out of dollars by July', economists warn

Massive India repatriation begins with flights from UAE

Author:

Aziz EL MASSASSI | AFP

ID:

1588864108140227600

Thu, 2020-05-07 15:01

DUBAI: The first wave of a massive exercise to repatriate hundreds of thousands of Indians stuck abroad began Thursday, with two flights departing from the United Arab Emirates.

India banned all incoming international flights in late March as it imposed one of the world's strictest virus lockdowns, leaving vast numbers of workers and students stranded.

Some 15,000 nationals will be repatriated from 12 countries on planes and naval ships, in a mammoth exercise which saw the civil aviation ministry's website crash Wednesday as panicked citizens rushed to register.

Two warships have steamed to the Maldives and another to the UAE – home to a 3.3-million-strong Indian community which makes up some 30 percent of the Gulf state's population.

The consulate in Dubai said that it alone had received almost 200,000 applications, appealing on Twitter for "patience and cooperation" as India undertakes the "massive task" of repatriation.

Indian citizens with coveted tickets, arriving at Abu Dhabi and Dubai airports, were greeted by medics in masks, gloves and plastic aprons who took blood samples for antibody tests.

"The results came out in 10 minutes. Mine has been negative. I'm super relieved," one 40-year-old passenger at Abu Dhabi airport told AFP.

"I've lost my job in the company I was working with. I'm feeling a bit weird going home – while I'm happy that I am going home there is also a sense of uncertainty."

"We have one or two flights planned every day now for the next five or six days," Consul General Vipul told AFP at Dubai airport.

He said most of those aboard were workers who had lost their jobs, together with pregnant women, the elderly and some stranded tourists.

"Some people will be left out, it's inevitable in this kind of situation...not everyone can be accommodated immediately," he said.

The two flights from the UAE – both destined for the southern Indian state of Kerala – will transport just 354 people.

A flight planned for Thursday from Qatar has been postponed until the weekend.

According to Indian media reports, delays have been triggered by the need to test air crew for coronavirus.

A naval vessel is expected to arrive at Dubai's Port Rashid. The Indian High Commission in the Maldives posted images on Twitter of one of its warships entering Male harbor ahead of Friday's planned evacuation of some 1,000 people.

Other flights will leave Singapore, Malaysia and the Philippines, as well as

London in the United Kingdom and San Francisco, New York, Chicago and Washington in the US.

But frustrations have mounted over the slow pace of the exercise, as well as the fact that evacuees will have to pay for their passage home and spend two weeks in quarantine on arrival.

“There are so many people who have lost their jobs here – they’re literally going hungry,” Yasin, a 50-year-old restaurant manager who is now out of a job, told AFP as he checked in for his flight.

“And now the government has asked for people to pay for the tickets. I sincerely want to request the government to waive that,” he said.

“They should protect their people. People do not have money to survive here, paying for flights is not possible at all.”

Those who haven’t managed to get a ticket home have voiced their frustrations in a torrent of posts on social media, while some turned up to try their luck.

Ajith, a 43-year-old IT engineer whose mother passed away two days ago, waited anxiously at Dubai airport, checking with the official who held the all-important waiting list for the first flight out.

“My mother was old and had medical issues... there is no one in India to take care of things, so I made an emergency request to the consulate,” he told AFP, before finally managing to secure a seat on the plane.







Main category:

[Middle-East](#)

Tags:

[Coronavirus](#)

[India](#)

[UAE](#)

Qatar's migrant workers 'beg for food' amid coronavirus outbreak
UAE confirms 502 new coronavirus cases, more recoveries and deaths

[Qatar's migrant workers 'beg for food' amid coronavirus outbreak](#)

Thu, 2020-05-07 16:25

LONDON: Migrant workers in Qatar are having to beg for food as the country struggles to cope with one of the world's highest rates of coronavirus infections.

Despite Qatar's vast wealth, desperate low-wage workers have been abandoned

by employers and are unable to leave the country, according to an [investigation by The Guardian](#).

Some of the workers have had to plead with their employers and charities for food.

“I don’t have much food left. Just some rice and lentils,” Rafiq, a cleaner from Bangladesh, said. “It will last only a few days. What happens when this food finishes?”

Rafiq, who lost his job in March, was one of more than 20 migrant workers interviewed by The Guardian about their plight.

Qatar has recorded just 12 deaths from COVID-19, but with more than 18,000 cases among its population of 2.8 million, it has one of the highest infection rates in the world. The vast majority of cases are migrant laborers.

Human rights groups have repeatedly raised concerns about the spread of the virus through labour camps, particularly in the Industrial Area on the outskirts of Doha.

READ MORE:

[Revealed: How coronavirus outbreak is shining a light on violations inside Qatar’s labor camps](#)

[Amnesty slams Qatar’s expulsion of migrant workers during coronavirus pandemic](#)

In March, Human Rights Watch, Amnesty International and several other NGOs and trade unions sent a joint letter to Qatar’s government calling for workers to be protected against the coronavirus.

“Qatari authorities should, among other recommendations, ensure that all migrant workers, including undocumented workers, quarantined or otherwise, have access to testing and get appropriate medical treatment,” the letter said.

Last month, Arab News reported on the human tragedy unfolding as COVID-19 struck down thousands of workers living in labor camps in the Industrial Area.

The sprawling, overcrowded region is home to much of the state’s low-income expatriate workforce, with men often crammed 10 to a room, and sharing kitchens and toilets.

Qatar enforced a strict lockdown of the area on March 11 as cases started to spiral. Those restrictions have started to be eased in recent days as the government says it will expand testing.

The situation for workers escalated last month when companies that had stopped operating were allowed to put workers on unpaid leave or terminate their contracts completely, The Guardian reported. The companies were told to continue to provide food and accommodation, but this appears not to be happening.

One group of domestic workers from Nepal said they had been forced by their company to sign a piece of paper saying it is no longer responsible for their salaries.

“We don’t have any money left now. We begged our supervisor for food and eventually he gave us some, but what will happen when its finished?” one of the workers said.



Main category:

[Middle-East](#)

Tags:

[Qatar](#)

[Coronavirus](#)

[migrant labor](#)

Revealed: How coronavirus outbreak is shining a light on violations inside Qatar’s labor camps

[UAE confirms 502 new coronavirus cases, more recoveries and deaths](#)

Author:

Thu, 2020-05-07 13:54

DUBAI: UAE's Health and Prevention Ministry confirmed 502 new coronavirus cases, bringing the total to 16,240 infected individuals, state news agency WAM reported on Thursday.

The ministry also reported eight further deaths, but there were also 213 recoveries, increasing the number of fatalities to 165, while 3,572 people had recovered.

The authority has conducted 33,000 new coronavirus tests, which helped detect the new cases.

The UAE has reopened malls and other shopping areas recently, with new restrictions and operation times to curb the spread of COVID-19.

However, authorities have banned people over the age of 60 and children younger than 12 from entering shopping centers, cooperative societies and supermarkets.

They are also prohibited from entering shops located outside malls, the Ministry of Health and Prevention and the National Emergency Crisis and Disaster Management Authority said in a in a joint announcement.

"These precautions are in order to ensure their health and safety," the statement said.



Main category:

[Middle-East](#)

Tags:

[UAE](#)

[Coronavirus](#)

Mother and new born celebrate Abu Dhabi hospital departure after beating COVID-19 LIVE: UN appeals for funds to fight coronavirus pandemic

[Israeli defense minister backs 7,000 new West Bank settlement units](#)

Author:

AFP

ID:

1588790682235074700

Wed, 2020-05-06 18:14

JERUSALEM: Israel's Defense Minister on Wednesday issued building permits for 7,000 new homes in a settlement near Bethlehem in the occupied West Bank, sparking Palestinian condemnation.

Naftali Bennett announced he had "approved the construction of thousands of new housing units" in the Efrat settlement near Bethlehem in the southern

West Bank.

The ministry indicated the land would allow the creation of a new neighborhood called Givat Eitam.

"Construction momentum should not be stopped for a moment," he said.

The rightwing hard-liner is expected to leave his post in the coming days. Prime Minister Benjamin Netanyahu and his former rival Benny Gantz have agreed to form a unity government which will see Netanyahu stay as premier for 18 months, after which Gantz is meant to take over for an equivalent period.

While Netanyahu is in power, centrist Gantz is expected to serve as defense minister, replacing Bennett.

Brian Reeves from the anti-settlement Israeli NGO Peace Now said Bennett's decision meant the building process was "in motion" even if Gantz, who is less supportive of settlement expansion, takes over.

The project, which would further squeeze the already restricted city of Bethlehem, still has to pass through the Israeli housing ministry and could also be challenged in the courts, Reeves added.

Since President Donald Trump came to power in 2017, the US government has ceased to criticize Israeli settlement expansion and has supported proposals to annex parts of the West Bank.

The Palestine Liberation Organization immediately denounced a new "violation of international law."

"This is an outrageous exploitation of the COVID-19 global pandemic to advance the illegal settler project," senior PLO official Hanan Ashrawi said in a statement.

Over the past decade, the population in Jewish settlements in the West Bank has increased 50 percent, according to official data from Israeli authorities.

More than 450,000 Israelis live in West Bank settlements, with around 200,000 in East Jerusalem.

Settlements in both areas are considered illegal under international law.



Main category:

[Middle-East](#)

Tags:

[Israel](#)

[West Bank](#)

[Palestinians](#)

US Democrats urged to oppose Israeli occupation