

# FACTSHEET: SAUDI ARABIA

June 2019

### INTRODUCTION

The modern Kingdom of Saudi Arabia was founded in 1932 and has since transformed from an underdeveloped desertland to one of the wealthiest countries in the world, mainly through income derived from oil.<sup>1</sup> It is currently the third largest producer of oil in the world after the United States of America and Russia.<sup>2</sup> It is spread over 2.15 million square kilometres (two-thirds the size of India), covering 80 per cent of the Arabian Peninsula.<sup>3</sup> Islam is the main religion practised in the country and also serves as the basis for its legal system. Although Arabic is the official language, English is also widely spoken in the cities. Saudi Arabians have a life expectancy of 75.5 years, with men (73.4 years) living about four years less than women (77.7 years).<sup>4</sup>

Saudi Arabia is a major economic power, ranking 19th globally with a gross domestic product (GDP) of USD 683.8 billion in 2017.<sup>5</sup> The country's most prominent sectors of employment include construction (26.5 per cent), retail and wholesale (22.3 per cent), and private household (15 per cent), followed by health (3.6 per cent) and education (2.6 per cent).<sup>6</sup> The Saudi Riyal (SAR) is the local currency, which is pegged to the US dollar (USD 1=SAR 3.745).<sup>7</sup>

**Table 1: Saudi Arabia's Population and Share of Migrants**

Year	Total population*	Migrant population†	
		Number	% of total population
1960	4,086,539	63,389	1.6
1965	4,843,635	155,823	3.2
1970	5,836,389	356,996	6.1
1975	7,428,703	928,827	12.5
1980	9,740,599	1,920,478	19.7
1985	13,189,115	3,401,020	25.8
1990	16,326,815	4,998,445	30.6
1995	18,735,841	5,122,702	27.3
2000	20,764,312	5,263,387	25.3
2005	23,905,654	6,501,819	27.2
2010	27,425,676	8,429,956	30.7
2015	31,557,144	10,771,366	34.1
2017	32,938,213	12,185,284	37.0

Note: The figures for migrants are as of the middle of the respective years. It should be noted that there are variations in the number of migrants mentioned in different sources.

\* 'Data: Population, Total', the World Bank, Data, accessed 24 May 2019, <https://data.worldbank.org/indicator/SP.POP.TOTL>.

† The international migrant stock data for 1960-2015 was retrieved from the World Bank ('Data: International Migrant Stock', the World Bank, accessed 24 May 2019, <https://data.worldbank.org/indicator/SM.POP.TOTL>). The data for the year 2017 was taken from the United Nations, Department of Economic and Social Affairs, Population Division ('International Migrant Stock: The 2017 Revision', the United Nations, accessed 24 May 2019, <http://www.un.org/en/development/desa/population/migration/data/estimates2/estimates17.shtml>).

Although the history of labour migration to Saudi Arabia can be traced back to the time of the oil exploration in the late 1930s, it was only after 1973, with the first oil boom in the country, that large-scale migration occurred.<sup>8</sup> Saudi Arabia's migrant population has consistently grown in the last six decades, from about 63,000 in 1960 to over 12 million in 2017 (Table 1). Migrants made over one-third of Saudi Arabia's 33 million population in 2017.

### GOVERNING OF MIGRANT WORKERS IN SAUDI ARABIA

Consistent with the other Gulf countries, foreign workers in Saudi Arabia are recruited and regulated through the *kafala*<sup>9</sup> system, a sponsorship system that gives sponsors complete control over the mobility of migrant workers.<sup>10</sup> The main objective of the *kafala* system is to monitor migrant labourers employed in the country, with the prerequisite that all workers have a citizen sponsor, known locally as the *kafeel*, who assumes the responsibility for maintaining the migrant workers' legal status and visa requirements.<sup>11</sup>

The Saudi Labour Law (Labour Law Decree No. M/51 of 2006) regulates migrant workers in the country, defining the roles and responsibilities of labourers and employers.<sup>12</sup> The Saudi government made 33 major amendments in its labour law in October 2015, which increased paternity, marriage and compassionate leave, and also obliged employers to pay wages through the electronic Wage Protection System (WPS)<sup>13</sup> by depositing salaries into a bank approved by the state.<sup>14</sup> The WPS also allows workers to change employers without the latter's consent in the case of non-payment of wages for three consecutive months.<sup>15</sup>

In response to the growing unemployment rate among its young population, Saudi Arabia introduced a policy in 2011 aimed at the 'Saudisation' of the workforce in the private sector,<sup>16</sup> which included a ban on the recruitment of foreigners in certain professions as well as taxing of them.<sup>17</sup>

### NEPALIS IN SAUDI ARABIA

The Gulf countries in general, and Saudi Arabia in particular, have emerged as the prime destination for Nepali migrants. Although there is no record of the first arrival of Nepali migrants in Saudi Arabia, it can be presumed from available data that Nepal's migrated to Saudi Arabia much earlier than 1990 for the Nepali migrant population in Saudi Arabia to have reached close to 200,000 by that year, which is from when data is available (Table 2). The number of Nepali migrants has grown consistently thereafter to reach nearly half a million in 2017 (Table 2).

**Table 2: Migrant Population in Saudi Arabia and Share of Nepali Migrants**

Year*	Migrant population	Nepali migrant population	
		Number	% of migrant population
1990	4,998,445	177,661	3.6
1995	5,122,702	182,078	3.6
2000	5,263,387	187,079	3.6
2005	6,501,819	231,098	3.6
2010	8,429,956	299,632	3.6
2015	10,771,366	403,005	3.7
2017	12,185,284	455,905	3.7

Note: The UN data on international migrants 'refer to the international migrant stock defined as a mid-year estimate of the number of people living in a country or area other than the one in which they were born or, in the absence of such data, the number of people of foreign citizenship. Most statistics used to estimate the international migrant stock were obtained from population censuses, population registers and nationally representative household surveys.' United Nations, Department of Economic and Social Affairs, Population Division, 'International Migration Report 2017' (New York: the United Nations, 2017), (ST/ESA/SER.A/403), accessed 22 March 2019, <https://www.un.org/en/development/desa/population/migration/publications/migrationreport/docs/MigrationReport2017.pdf>.

Source: 'Trends in International Migrant Stock: Migrants by Destination and Origin', the United Nations, Department of Economic and Social Affairs, Population Division (United Nations database, POP/DB/MIG/Stock/Rev.2017), accessed 4 July 2018, [http://www.un.org/en/development/desa/population/migration/data/estimates2/data/UN\\_MigrantStockByOriginAndDestination\\_2017.xlsx](http://www.un.org/en/development/desa/population/migration/data/estimates2/data/UN_MigrantStockByOriginAndDestination_2017.xlsx).

\*Data on Nepali migrant stocks in Saudi Arabia is available only from 1990 onwards.

## NUMBER OF LABOUR PERMITS ISSUED FOR MIGRATION TO SAUDI ARABIA

The Department of Foreign Employment (DoFE) has issued over one million labour permits for Saudi Arabia-bound Nepali workers in the last two and a half decades (Table 3). The annual labour permits issued for Saudi Arabia increased steadily from 2,290 in 1993/94 to reach 138,529 in 2015/2016, before witnessing a sharp decline in the two consecutive years that followed. Only 40,962 labour permits for new entry were issued for Saudi Arabia in 2017/2018. Women make up only a small portion of Nepali migrant workers leaving for Saudi Arabia: just over 7,000 labour permits, or less than 1 per cent of the total labour permits for Saudi Arabia, were issued to Nepali women until 2017/18.

**Table 3: Labour Permits Issued for Saudi Arabia**

Year	New entry			Re-entry <sup>†</sup>			Total			Women as % of total
	Men	Women	Total	Men	Women	Total	Men	Women	Total	
1993/94	-	-	2,290	-	-	-	-	-	2,290	-
1994/95	-	-	1,041	-	-	-	-	-	1,041	-
1995/96	-	-	1,469	-	-	-	-	-	1,469	-
1996/97	-	-	1,959	-	-	-	-	-	1,959	-
1997/98	-	-	4,825	-	-	-	-	-	4,825	-
1998/99	-	-	14,948	-	-	-	-	-	14,948	-
1999/2000	-	-	17,867	-	-	-	-	-	17,867	-
2000/01	-	-	17,966	-	-	-	-	-	17,966	-
2001/02	-	-	21,094	-	-	-	-	-	21,094	-
2002/03	-	-	17,990	-	-	-	-	-	17,990	-
2003/04	-	-	16,875	-	-	-	-	-	16,875	-
2004/05	-	-	13,366	-	-	-	-	-	13,366	-
2005/06	-	-	15,813	-	-	-	-	-	15,813	-
2006/07*	39,279	-	39,279	-	-	-	39,279	-	39,279	-
2007/08	42,355	39	42,394	-	-	-	42,355	39	42,394	0.1
2008/09	48,618	131	48,749	-	-	-	48,618	131	48,749	0.3
2009/10	63,217	183	63,400	-	-	-	63,217	183	63,400	0.3
2010/11	70,960	156	71,116	-	-	-	70,960	156	71,116	0.2
2011/12	80,218	237	80,455	-	-	-	80,218	237	80,455	0.3
2012/13	85,909	367	86,276	-	-	-	85,909	367	86,276	0.4
2013/14	85,905	971	86,876	-	-	-	85,905	971	86,876	1.1
2014/15	97,570	676	98,246	-	-	-	97,570	676	98,246	0.7
2015/16	136,958	1,571	138,529	-	-	-	136,958	1,571	138,529	1.1
2016/17	72,785	1,168	73,953	68,684	311	68,995	141,469	1,479	142,948	1.0
2017/18	39,938	1,024	40,962	67,135	317	67,452	107,073	1,341	108,414	1.2
<b>Total</b>	<b>823,774</b>	<b>6,523</b>	<b>1,017,738</b>	<b>135,819</b>	<b>628</b>	<b>136,447</b>	<b>999,531</b>	<b>7,151</b>	<b>1,154,185</b>	<b>0.7*</b>

Source: Department of Foreign Employment, 'Yearly Reports, 2070/71 and 2072/73 BS' (Kathmandu: DoFE, 2015/2016); Department of Foreign Employment, 'Labour Approval Record, 2073/74 and 2074/75 BS' (Kathmandu: DoFE, 2017/18).

\* The Department of Foreign Employment has gender-disaggregated data only from 2006/07 onwards.

† The data on re-entry labour permits – issued to migrant workers returning to the same job on a renewed contract – is available only from 2016/17 onwards. Although not clearly stated in the publications of the Department of Foreign Employment, our reading of these documents suggests that the preceding years' data on labour permits do not include the labour permits for re-entry.

‡ This figure represents the proportion of labour permits issued to women in the years 2006/07-2017/18.

## MINIMUM WAGES/SALARY FOR NEPALI WORKERS IN SAUDI ARABIA

The Nepali government requires employers in Saudi Arabia to pay Nepali workers a minimum monthly salary ranging from SAR 1,000 (USD 266)<sup>18</sup> for unskilled workers up to SAR 5,000-11,000 (USD 1,332-2,932) for professionals (Table 4).

Table 4: Basic Salary for Nepali Workers

Types of worker	Basic salary (SAR)	Food allowance (SAR)	Other allowances
<b>Unskilled</b> (labourer, cleaner, helper, sweeper, office boy, watchman)	1,000	300	Accommodation, transportation, medical facility, two-way air ticket provided by the company/sponsor.
<b>Semi-skilled</b> (blockmakers, plasterers, carpenter, mechanical helper, steel fixture, tile fixture, plumber, cook, bakers, scaffolding supervisor, etc)	1,200-2,500	300	
<b>Skilled</b> (computer operator, pharmacist, medical assistant, accountant, nurse, overseer, etc)	1,200-3,000	500	
<b>Professional</b> (HR executive, computer engineer, safety engineer, electronic engineer, etc)	5,000-11,000	500	Accommodation, vehicle, medical facility, two-way air ticket provided by the company/sponsor

Source: 'Recruitment: Recruiting Manpower from Nepal', Embassy of Nepal, Riyadh, Saudi Arabia, accessed 24 May 2019, <https://sa.nepalembassy.gov.np/recruitment-2/>.

## TOTAL REMITTANCE OUTFLOW FROM SAUDI ARABIA AND REMITTANCE SENT TO NEPAL

Saudi Arabia has remained a reliable source of remittances for Nepal, accounting for over a quarter of total remittances received in the last five years (2013-2017). In 2017, Nepal received an estimated USD 1.8 billion from Saudi Arabia or 4 per cent of the total remittance outflow from that country (Table 5). It should be noted that the available data shows a steep 15-fold jump in Saudi Arabia-Nepal remittance flow between 2012 and 2013. The formalisation of remittance-sending channels, leading to money being sent back home by migrants through banks and other formal financial institutions, could be the reason for such a marked increase although that is only a conjecture and the subject would require further exploration. In terms of remittance-sending cost,

Table 5: Total Remittance Outflow from Saudi Arabia and Remittance Received in Nepal

Year	Remittance outflow from Saudi Arabia (in billion USD)	Remittance received by Nepal from Saudi Arabia (in billion USD)	Remittance to Nepal as % of total outflow from Saudi Arabia	Total remittance received by Nepal (in billion USD)	Remittance from Saudi Arabia as % of total remittance received by Nepal (in billion USD)
2010	21.4	0.1	0.5	3.5	2.8
2011	23.8	0.1	0.4	4.2	2.4
2012	27.6	0.1	0.4	5.0	2.0
2013	41.6	1.5	3.6	5.6	26.8
2014	43.5	1.6	3.7	5.9	27.1
2015	47.0	1.8	3.8	6.7	26.9
2016	44.0	1.7	3.9	6.6	25.8
2017	46.7	1.8	3.9	7.0	25.7

Note: According to the World Bank, the remittance data is 'disaggregated using host country and origin country incomes, and estimated migrant stocks' from the given year. 'These are analytical estimates based on logical assumptions and derived from a global estimation of bilateral remittance flows worldwide. They are not actual officially reported data. The caveats attached to these estimates are: (a) the data on migrants in various destination countries are incomplete; (b) the incomes of migrants abroad and the costs of living are both proxied by per capita incomes in PPP terms, which is only a rough proxy; and (c) there is no way to capture remittances flowing through informal, unrecorded channels.'

Source: 'Migration and Remittances Data: Bilateral Remittances Matrices, 2010-2017', the World Bank, accessed 27 December 2018, <https://www.worldbank.org/en/topic/migrationremittancesdiasporaissues/brief/migration-remittances-data>.

\* Data on bilateral remittance outflow is available only from 2010 onwards.

the Saudi Arabia–Nepal corridor was identified as the lowest in the third quarter of 2015 for sending funds worth USD 200.<sup>19</sup> The amounts remitted are, of course, only calculated estimates as there is no accounting of the true volume of remittances because migrant workers make use of various forms of informal networks to send money home and also because a considerable proportion of workers' earnings also comes into Nepal as consumer items such as TV sets and mobile phones.

### DEATHS AND INJURIES OF NEPALI WORKERS IN SAUDI ARABIA

According to Nepal's Foreign Employment Board (FEB), a total of 1,820 Nepali workers lost their lives in Saudi Arabia in the last one decade, 2008/09 to 2017/18 (Table 6).<sup>20</sup> Another 262 workers were seriously ill or injured in Saudi Arabia during the same period.<sup>21</sup> Natural causes, traffic accidents, workplace accidents and suicide were the four major causes of death, which jointly account for over four-fifths of the total deaths.

Table 6: Number and Causes of Deaths (FEB)

Year	2008/09			2009/10			2010/11			2011/12			2012/13				
Gender	M	F	Total	M	F	Total	M	F	Total	M	F	Total	M	F	Total		
<b>Cause of death</b>																	
Natural causes	16	-	16	51	1	52	58	-	58	75	-	75	80	-	80		
Traffic accidents	4	-	4	42	1	43	40	-	40	59	-	59	71	-	71		
Workplace accidents	3	-	3	14	-	14	14	-	14	21	-	21	17	-	17		
Suicide	1	-	1	3	1	4	8	-	8	14	-	14	17	-	17		
Cardiac arrest	2	-	2	7	-	7	7	-	7	4	-	4	4	-	4		
Heart attack	-	-	-	1	-	1	3	-	3	2	-	2	3	-	3		
Other or unidentified causes	1	-	1	3	-	3	3	-	3	3	-	3	14	-	14		
Murder	-	-	-	-	-	-	-	-	-	1	-	1	-	-	-		
Disease	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
<b>Total</b>	<b>27</b>	<b>-</b>	<b>27</b>	<b>121</b>	<b>3</b>	<b>124</b>	<b>133</b>	<b>-</b>	<b>133</b>	<b>179</b>	<b>-</b>	<b>179</b>	<b>206</b>	<b>-</b>	<b>206</b>		
Year	2013/14			2014/15			2015/16*			2016/17*			2017/18*			Total M+F	%
Gender	M	F	Total	M	F	Total	M	F	Total	M	F	Total	M	F	Total		
<b>Cause of death</b>																	
Natural causes	93	-	93	111	-	111	100	-	100	81	-	81	38	-	38	704	38.7
Traffic accidents	66	-	66	57	-	57	52	-	52	77	-	77	64	-	64	533	29.3
Workplace accidents	21	-	21	28	-	28	14	-	14	12	-	12	8	-	8	152	8.3
Suicide	18	-	18	33	-	33	13	-	13	17	-	17	24	-	24	149	8.1
Cardiac arrest	9	-	9	28	-	28	24	-	24	23	-	23	19	-	19	127	6.9
Heart attack	6	-	6	13	-	13	17	-	17	19	-	19	28	-	28	92	5.0
Other or unidentified causes	7	-	7	3	-	3	3	-	3	22	-	22	19	-	19	78	4.2
Murder	-	-	-	-	-	-	1	-	1	-	-	-	-	-	-	2	0.1
Disease	-	-	-	-	-	-	-	-	-	-	-	-	4	-	4	4	0.2
<b>Total</b>	<b>220</b>	<b>-</b>	<b>220</b>	<b>273</b>	<b>-</b>	<b>273</b>	<b>224</b>	<b>-</b>	<b>224</b>	<b>251</b>	<b>-</b>	<b>251</b>	<b>204</b>	<b>-</b>	<b>204</b>	<b>1,841</b>	<b>100.0</b>

Note: The FEB data on deaths is based on the financial support provided by FEB to the deceased worker's family in Nepal, and the year in this data indicates when the financial support was provided, not the year of actual death. As the compensation can be claimed within a year of receiving the dead body in Nepal, some deaths reported for a particular year could have occurred in the preceding year.

Source: Ministry of Labour and Employment, 'Labour Migration for Employment – A Status Report for Nepal: 2014/2015' (Kathmandu: Ministry of Labour and Employment, 2016/17); Ministry of Labour and Employment, 'Labour Migration for Employment – A Status Report for Nepal: 2015/16-2016/17' (Kathmandu: Ministry of Labour and Employment, 2016/17).

\* Data made available by the Foreign Employment Board (FEB).

The figures on deaths and injuries above include only those who received compensation from the FEB. A more complete picture of the actual number of deaths in destination countries is available from the Ministry of Foreign Affairs (MoFA), which collects data on all deaths from Nepali diplomatic missions in the respective countries, irrespective of whether the families of the deceased collected compensation from the FEB or not. This is especially pertinent since anyone who went as an ‘irregular’ migrant, i.e., without acquiring a labour permit from the DoFE, is not entitled to compensation from the FEB. Accordingly, the data from the Ministry of Foreign Affairs (MoFA) of Nepal shows a total of 2,915 Nepali deaths in Saudi Arabia between 2007 and 2018 (Table 7).

**Table 7: Number and Causes of Deaths (MoFA)**

Cause of death	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	Total	Percentage
Natural death	8	94	118	116	117	139	130	116	127	129	136	1,230	42.2
Traffic accident	12	84	76	90	77	78	88	62	75	95	137	874	30.0
Suicide	3	20	16	16	22	26	27	30	23	28	56	267	9.2
Work accident	2	15	21	31	26	22	27	26	28	14	17	229	7.9
Acute cardiac and respiratory arrest	1	7	-	-	-	-	1	11	25	15	53	113	3.9
Unknown	-	4	19	8	3	5	4	2	7	25	20	97	3.3
Electric shock	-	2	-	-	2	2	3	3	4	-	4	20	0.7
Other accident	-	-	3	3	1	1	1	2	3	-	5	19	0.7
Murder	-	2	4	1	3	-	1	2	3	2	-	18	0.6
Drowning	-	3	-	2	1	-	2	1	1	1	3	14	0.5
Burns	-	-	-	-	1	3	1	-	1	-	2	8	0.3
Suffocation	1	2	-	1	-	-	-	1	-	2	1	8	0.3
Asphyxia	-	-	-	-	-	-	-	1	-	1	3	5	0.2
Fire	-	-	-	1	2	1	-	-	-	-	-	4	0.1
Drug	-	-	-	1	-	-	-	1	-	-	-	2	0.1
Gas explosion	-	-	-	-	-	2	-	-	-	-	-	2	0.1
Others	-	1	-	1	-	-	-	-	-	-	-	2	0.1
<b>Total</b>	<b>27</b>	<b>234</b>	<b>257</b>	<b>271</b>	<b>255</b>	<b>279</b>	<b>285</b>	<b>258</b>	<b>297</b>	<b>312</b>	<b>437</b>	<b>2,912</b>	<b>100.0</b>

Source: Data made available by the Department of Consular Services, Ministry of Foreign Affairs, Nepal.

Even though there are discrepancies in the data presented by the FEB and MoFA, the top two causes of deaths are ‘natural deaths’ and ‘traffic accidents’ in both. As per the MoFA, ‘natural death’ was the main cause, accounting for 42 per cent of total deaths, followed by ‘traffic accidents’ (30 per cent) and ‘suicide’ (9 per cent). The data available from the FEB is similar.

## LABOUR RECRUITMENT IN NEPAL

### Recruitment Procedure

Labour migration is either arranged independently (personal basis) or by seeking the help of recruitment agencies (institutional basis). When foreign employment is organised through recruitment agencies, these agencies are required to obtain prior approval from the DoFE following an agreement or understanding with an employing institution in Saudi Arabia. On receiving approval from the DoFE, recruitment agencies publish an advertisement seeking applications in a Nepali-language daily newspaper with nation-wide circulation.

### Age Criteria for Recruitment

According to the Foreign Employment Act 2007, minors under the age of 18 are not permitted to go for foreign employment. Currently, the Government of Nepal also has a directive in place prohibiting women who have not completed 24 years of age from migrating to Saudi Arabia as domestic workers.<sup>22</sup>

### Recruitment Cost

Prior to the introduction of the 'free-visa, free-ticket' policy by Nepal in June 2015, the recruitment cost to Saudi Arabia was fixed at a maximum of NPR 20,000. With the introduction of the new policy, the maximum fee to be paid by Nepali migrant workers going to Saudi Arabia (and other GCC countries) was reduced to NPR 10,000, and employers were required to bear the costs of the visa and air ticket, which previously was typically borne by the migrant workers themselves.<sup>23</sup> In practice, however, Nepali workers have generally always paid a much larger amount for their migration to Saudi Arabia, a practice that has continued even after the 'free-visa, free-ticket' policy.<sup>24</sup>

### Other Requirements

#### Orientation Training

The Foreign Employment Rules, 2008 requires a worker going for foreign employment to receive orientation training on the following:

- Foreign employment laws of Nepal;
- Geography, culture, lifestyle, and the economic, social and political situation of the destination country;
- Language of the destination country;
- Labour, immigration laws and traffic rules of the destination country;
- HIV/AIDS, communicable diseases, sexual and reproductive health;
- Occupational safety and health;
- Easy and safe travel;
- Conduct, treatment and security of workers; and
- Repatriation of earnings to Nepal.

#### Domestic Worker Orientation Skill Development Training

Women migrants going to Saudi Arabia as domestic workers are required to complete a 30-day skill development training.<sup>25</sup>

#### Contribution to the Foreign Employment Welfare Fund

Every worker going for foreign employment is required to contribute to the Foreign Employment Welfare Fund managed by the FEB prior to departure. The contribution amount is currently specified as NPR 1500<sup>26</sup> for a three-year work contract, while workers with contracts for a duration exceeding three years are required to contribute NPR 2500.<sup>27</sup> If a migrant worker dies within the contract period, the FEB provides compensation of NPR 700,000 to his/her family up to one year of receiving the dead body in Nepal. Workers who fall ill or are injured may receive up to NPR 700,000 upon the evaluation of their injuries and illnesses by a team of experts.<sup>28</sup>

#### Insurance

The Foreign Employment Act 2007 and Foreign Employment Rules 2008 have made insurance mandatory for workers going for foreign employment. The cost of insurance varies according to the age of the worker and the duration of the contract (Table 8). The current insurance plans comply with the Foreign Employment Life Insurance Directives issued in April 2016.<sup>29</sup>

As shown in Table 9, the family of the deceased worker may receive a maximum amount of NPR 1,500,000

as insurance, while a worker or their family may receive up to NPR 1,000,000 in case of injuries sustained abroad.

Further, a migrant worker who suffers 'critical illness'<sup>30</sup> is provided with an additional amount of NPR 500,000. However, to be entitled to this benefit, the migrant worker must have also procured an insurance policy against 'critical illness', paying a premium of an additional NPR 400.

**Table 8: Insurance Premiums**

Insurance period (year)	Insurance premium by age group (in NPR)				Premium for insurance of NPR 500,000 against critical illness (all age groups)
	18 to 35	36 to 50	51 to 64	64+	
2	2,646	3,625	7,250	For those aged 64 and above the amount of insurance will be as per the insurance company's policies, but not exceeding the premium fixed for the age group 51-64 by more than 50 per cent.	NPR 400
3	3,524	4,930	9,570		
4	4,423	6,090	12,035		
5	5,148	7,105	14,500		
6	5,728	8,411	16,820		

Source: 'Foreign Employment (ad-hoc) Life Insurance Directives 2073' (Kathmandu: Insurance Board, 2016), accessed 18 October 2017, <https://www.bsib.org.np/documents/baideshikbeema.pdf>.

### Process for Compensation for Death and Injuries

In case of death of migrant workers in destination countries during the contract period, members of their immediate family can claim for compensation from the Foreign Employment Welfare Fund through the FEB within a year of receiving the dead body in Nepal. Similar provisions apply to migrant workers who suffer from serious illness or face mutilation of a body part during the contract period.<sup>31</sup> The following documents are required to claim compensation from the FEB.<sup>32</sup>

- Migrant worker's passport;
- Labour permit;
- Contract;
- Death certificate from destination country (in case of death in destination);
- Death certificate from Nepal (in case of death after arriving in Nepal);
- Prescription of medical treatment abroad (in case of injury); and
- Recommendation letter from the Nepali Embassy in the destination country.

## INSTITUTIONAL AND LEGAL ARRANGEMENTS

### Foreign Employment Act 2007 and Foreign Employment Rules 2008

Foreign employment from Nepal is governed by the Foreign Employment Act 2007 and the Foreign Employment Rules 2008.

### Bilateral Relations

Nepal and Saudi Arabia established diplomatic relations on the 15th of March 1977. Nepal opened its Embassy in Saudi Arabia in 1978 at the level of Chargé d'affaires.<sup>33</sup>



Table 9: Insurance Benefits

Section	Incidence	Benefits (in NPR)
A	Death	1,000,000* + 100,000 (to bring the dead body to Nepal) + 100,000 (to perform death rituals) + 200,000 (to maintain the loss of income due to the death of the person) + 100,000 (towards treatment, in case death occurs during treatment) Maximum Total: 1,500,000
B	a. Total permanent disability; b. Incurable damage of sight on both eyes; c. Complete damage of parts of the body above the ankles of both legs or wrists of both hands; or d. Complete damage of one of the legs, hands or eyes.	1,000,000
C	a. Complete speech-impairment; or b. Complete hearing-impairment.	500,000
D	a. Complete damage of the hearing capacity of an ear; or b. Complete damage of a thumb. c. Complete damage of an index finger. d. Complete damage of any other finger. e. Complete damage of a big toe. f. Complete damage of any other toe. g. Damage/loss of any other body part.	200,000  150,000 70,000 50,000 40,000 As determined by an expert <sup>†</sup>

Source: 'Foreign Employment (ad-hoc) Life Insurance Directives 2073' (Kathmandu: Insurance Board, 2016), accessed 18 October 2017, <https://www.bsib.org.np/documents/baideshikbeema.pdf>.

\* Section 26 (1) of Foreign Employment Act, 2007 states: 'The licensee shall, prior to sending a worker for foreign employment, procure insurance of at least five hundred thousand rupees with validity for the term of contract so that such worker can claim damages for death or mutilation, if such a worker who has gone for foreign employment pursuant to this Act dies from any cause at any time or gets mutilated.' The insurance benefit was increased from NPR 500,000 to 1,000,000 following the issuance of the Foreign Employment (ad-hoc) Life Insurance Directives 2073 in January 2017.

† An 'expert' is a medical doctor registered under the Nepal Medical Council (NMC). Additionally, the insurance companies also give validity to claims approved by certified medical practitioners in destination countries.

## NEPALI ORGANISATIONS IN SAUDI ARABIA

Apart from the Embassy of Nepal in Saudi Arabia, the only diaspora organisation working on behalf of Nepali migrant workers in Saudi Arabia is the General Federation of Nepali Trade Unions<sup>34</sup> (GEFONT) Support Group, Saudi Arabia. Devoid of capital and human resource, the Support Group is run by Nepali migrant workers who volunteer their free time to help other Nepali workers. The group supports migrant workers with legal help, facilitates and organises support for those in distress, and carries out rescue efforts. The members use social media applications such as Viber and WhatsApp to connect with people in need.<sup>35</sup> For instance, 'Save Prem Rai' is a social media campaign led by the support group in an attempt to collect blood money of NPR 10 million to free Rai who has been serving time in a Saudi jail since two years on a charge of theft.<sup>36</sup>

Table 10: Nepali Organisations in Saudi Arabia

SN	Organisations	Services	Contact person	Location	Contact
1.	Embassy of Nepal	<p>Issues related to labour problems, rescue, and labour laws and policies.</p> <p>Issues related to passports and labour permits; Nepalis in jail; issues of violence faced by domestic workers.</p> <p>Services related to the issuance of No-Objection Certificate to send dead bodies of Nepali migrant workers.</p> <p>Services related to certification of papers and demand letter, powers of attorney, and other visa-related subjects.</p>	<p>Ambika Prasad Adhikari, Labour Attaché Tel: 011-2883795, 011-4611108 (ext: 103)</p> <p>Vijay Kumar Raut, First Secretary Tel: 4611108 (ext: 109) Mobile: 0551442008</p> <p>Bipin Duwadi, Second Secretary Tel no: 011-4611108 (ext: 104), Mobile: 0500075140</p> <p>Bharat Khanal, Second Secretary Tel: 011-4611108 Email: bharatkhanal15@gmail.com</p>	Al Urubah Street, Al-Jouf Road (Near Sulaymanieh Hotel) Riyadh 11693, Kingdom of Saudi Arabia Post Box No: 9438	<p>Telephone: +966-11-4611108/4645170</p> <p>Fax: +966-11-4640690/4651823</p> <p>Website: <a href="http://sa.nepalembassy.gov.np">sa.nepalembassy.gov.np</a></p> <p>Email: <a href="mailto:info@neksa.org">info@neksa.org</a></p>
2.	General Federation of Nepali Trade Unions (GEFONT) Support Group	Run by migrant workers who volunteer their free time in facilitating migrant workers with access to legal aid, organise social events and gather financial support to rescue Nepalis in need.	Raj Tamang Viber: +966 583424746	Jeddah	Viber: +966 583424746

## Notes

- 1 Tim Niblock, 'Saudi Arabia's Economic Development: Ambitious Visions, Difficult Dilemmas', *Journal of Middle Eastern and Islamic Studies (in Asia)* 2, No. 2 (2008):13-31.
- 2 'The United States Is Now the Largest Global Crude Oil Producer', U.S. Energy Information Administration, accessed 13 December 2018, <https://www.eia.gov/todayinenergy/detail.php?id=37053>.
- 3 'Eye on the Kingdom: About Saudi Arabia', Ministry of Foreign Affairs, Saudi Arabia, accessed 22 May 2019, <https://www.mofa.gov.sa/sites/mofaen/aboutKingDom/Pages/KingdomGeography46466.aspx>.
- 4 'Life Expectancy at Birth', Central Intelligence Agency, United States of America, accessed 6 June 2018, <https://www.cia.gov/library/publications/the-world-factbook/rankorder/2102rank.html>.
- 5 'Gross Domestic Product 2017', The World Bank, accessed 25 December 2018, <https://datacatalog.worldbank.org/dataset/gdp-ranking>.
- 6 Françoise De Bel-Air, 'Demography, Migration and Labour Market in Saudi Arabia' (European Union: Gulf Labour Market and Migration programme of the Migration Policy Center and the Gulf Research Center, 2014), 4, Explanatory Note No. 1/2014, [https://gulfmigration.eu/media/pubs/exno/GLMM\\_EN\\_2014\\_01.pdf](https://gulfmigration.eu/media/pubs/exno/GLMM_EN_2014_01.pdf).
- 7 'About Saudi Arabia: Facts and Figures', The Embassy of the Kingdom of the Saudi Arabia, Washington D.C., accessed 8 January 2018, <https://www.saudiembassy.net/facts-figures>.
- 8 Françoise De Bel-Air, 'Demography, Migration and Labour Market in Saudi Arabia' (European Union: Gulf Labour Market and Migration Programme of the Migration Policy Center and the Gulf Research Center, 2014), 4, Explanatory Note No. 1/2014, [http://gulfmigration.eu/media/pubs/exno/GLMM\\_EN\\_2014\\_01.pdf](http://gulfmigration.eu/media/pubs/exno/GLMM_EN_2014_01.pdf).
- 9 'Kafala' means 'sponsorship' in Arabic. 'Understanding Kafala: An Archaic Law at Cross Purposes with Modern Development', Migrant-Rights.org, accessed 18 October 2017, <https://www.migrant-rights.org/2015/03/understanding-kafala-an-archaic-law-at-cross-purposes-with-modern-development/>.
- 10 Rooja Bajracharya and Bandita Sijapati, 'The Kafala System and its Implications for Nepali Domestic Workers' (Kathmandu: Centre for the Study of Labour and Mobility (CESLAM), Social Science Baha, 2012), Policy Brief No. 1, <https://www.ceslam.org/index.php?pageName=publication&pid=10>.
- 11 'Qatar Labour Law: Kafala and the Qatar Labor Law', Qatar Labour Law, accessed 18 October 2017, <https://www.qatarlaborlaw.com>.
- 12 Holman Fenwick Willan Middle East, 'Changes to the Saudi Arabian Law' (Riyadh: Holman Fenwick Willan Middle East, 2016), <http://www.hfw.com/downloads/HFW-Changes-to-the-Saudi-Arabian-labor-laws-April-2016.pdf>.
- 13 Wage Protection System (WPS) is a measure to counteract practices where there have been issues about paying lower than what is stated in the contract as well as withholding it. This was started in 2013 in the five GCC countries.
- 14 'Amendments to the Saudi Arabian Labor and Workmen's Law – Summary of Key Changes', JD Supra, accessed 22 May 2019, <https://www.dentons.com/en/insights/alerts/2015/october/7/saudi-arabia-labor-law-amendments>.
- 15 Philippe Fargues and Nasra M. Shah, 'Migration to the Gulf Policies in Sending and Receiving Countries' (Cambridge: Gulf Research Centre Cambridge, 2018), <http://gulfmigration.org/media/pubs/book/GRM%202017%20-%20Volume%20-%20Definitive%20-%202018-06-15.pdf>.
- 16 Françoise De Bel-Air, 'The Socio-Political Background and Stakes of 'Saudizing' the Workforce in Saudi Arabia: The Nitaqat Policy' (Jeddah, Geneva, Cambridge: Gulf Labour Market and Migration programme of the Migration Policy Center and the Gulf Research Center, 2015), 3/2015, accessed 22 May 2019, Explanatory Note No. 3/2015, [http://cadmus.eui.eu/bitstream/handle/1814/34857/GLMM\\_ExpNote\\_03\\_2015.pdf?sequence=1&isAllowed=y](http://cadmus.eui.eu/bitstream/handle/1814/34857/GLMM_ExpNote_03_2015.pdf?sequence=1&isAllowed=y).
- 17 Philippe Fargues, 'United Nations Expert Group Meeting on International Migration and Development in the Arab Region' (Beirut: United Nations Population Division, 2006), accessed 22 May 2019, [https://www.un.org/en/development/desa/population/events/pdf/other/turin/P09\\_Fargues.pdf](https://www.un.org/en/development/desa/population/events/pdf/other/turin/P09_Fargues.pdf).
- 18 The Saudi Riyal (SAR) is pegged to US dollar at the rate of USD 1 equals to SAR 3.75.
- 19 World Bank, 'Migration and Remittances Factbook 2016 – Third Edition' (Washington, DC: World Bank, 2016).
- 20 The FEB was established under the Foreign Employment Act 2007, which also provided for a Foreign Employment Welfare Fund. The Welfare Fund is used to, among others, provide support to the families of those workers who die in the course of their employment abroad or to those who are injured. Hence, the FEB data on deaths and injuries date only from the year 2008/09.
- 21 Data made available by the Foreign Employment Board of Nepal.
- 22 'Directives for Sending Domestic Workers for Foreign Employment, 2072' (Government of Nepal: Ministry of Labour, Employment and Social Security), accessed 18 June 2018, <https://bit.ly/2Ky22an>.
- 23 Bandita Sijapati, Ashim Bhattarai and Dinesh Pathak, 'Analysis of Labour Market and Migration Trends in Nepal' (Kathmandu: GIZ and ILO, 2015), 52-53.
- 24 'Nisulka Visa तथा Tikatko Pravadhanko Baideshik Rojgarima Prabhav (Impact of the Provision of Free Visa and Ticket on Foreign Employment)' (Kathmandu: Nepal Rastra Bank, 2018), accessed 14 June 2018, <https://bit.ly/2x5bBEP>; Bandita Sijapati, Mohd Ayub and Himalaya Kharel, 'Making Migration Free: An analysis of Nepal's 'free-visa, free-ticket' scheme', in *South Asia Migration Report 2017: Recruitment, Remittances and Reintegration*, ed. S. Irudaya Rajan (Oxon and New York: Routledge, 2017); Vivek Chaudhary, 'We're Cheated, First in India, then in Qatar: How World Cup Workers are Deceived', *The Guardian*, 19 March 2017, accessed 18 October 2017, <https://www.theguardian.com/world/2017/mar/19/qatar-world-cup-workers-india-nepal-cheated-deceived>.

- 25 'Domestic Workers Orientation Skill Development Training Curriculum' (Kathmandu: Foreign Employment Promotion Board, 2015), accessed 18 October 2017, <https://bit.ly/2Y5eNwk>.
- 26 The contribution amount to the Foreign Employment Welfare fund was increased, on 31 August 2017, by NPR 500 for workers with three-year contracts and by 1500 for workers with contracts exceeding three years.
- 27 'Nepal Rajpatra (Nepal Gazette)' (Kathmandu: Government of Nepal, 16 Shrawan 2074 Bikram Sambat (31 July 2017), accessed 18 October 2017, <http://rajpatra.dop.gov.np/welcome/book/?ref=23030>.
- 28 'Foreign Employment Rules, 2008 (Third Amendment, 2017)' Government of Nepal. Nepal Rajpatra (Nepal Gazette), published by Government of Nepal, 16 Shrawan 2074 Bikram Sambat (31 July 2017), (accessed 18 October 2017, <http://rajpatra.dop.gov.np/welcome/book/?ref=23030>).
- 29 'Foreign Employment (ad-hoc) Life Insurance Directives 2073' (Kathmandu: Insurance Board, 2016), accessed 18 October 2017, <https://www.bsib.org.np/documents/baideshikbeema.pdf>.
- 30 As per the Foreign Employment (ad-hoc) Life Insurance Directives 2073 (2016), 'critical illness' includes cancer, kidney failure, primary pulmonary arterial hypertension, multiple sclerosis, major organ transplant, coronary artery bypass grafts, aorta graft surgery, heart valve surgery, stroke, myocardial infarction (first heart attack), coma, total blindness, paralysis, benign brain tumour, mental illness caused due to accident (traumatic).
- 31 'Work to be Performed by Board', Foreign Employment Board, accessed 11 January 2018, <http://www.fepb.gov.np/about#workofwoda>.
- 32 'Form to be Filled Up to Get the Compensation at Death Arriving Nepal', Foreign Employment Promotion Board, accessed 11 January 2019, [http://www.fepb.gov.np/extra\\_upload/5c289a34cb65b\\_formate%20of%20Nepal%20Death.pdf](http://www.fepb.gov.np/extra_upload/5c289a34cb65b_formate%20of%20Nepal%20Death.pdf); 'Form to be Filled Up to Get the Compensation at Injury', Foreign Employment Board, accessed 11 January 2019, [http://www.fepb.gov.np/extra\\_upload/5c1845abf18d6\\_angabhanga.pdf](http://www.fepb.gov.np/extra_upload/5c1845abf18d6_angabhanga.pdf); and 'Form to be Filled Up to Get the Compensation at Death in Destination', Foreign Employment Board, accessed 11 January 2019, [http://www.fepb.gov.np/extra\\_upload/5c1845cd4d1b1\\_formate%20of%20Death\\_1.pdf](http://www.fepb.gov.np/extra_upload/5c1845cd4d1b1_formate%20of%20Death_1.pdf).
- 33 'Nepal-Saudi Relation', Embassy of Nepal, Riyadh, accessed 23 January 2018, <https://sa.nepalembassy.gov.np/bilateral-relationships/>.
- 34 General Federation of Nepali Trade Unions is a confederation of trade unions and is politically affiliated to Communist Party of Nepal (Unified Marxist-Leninist).
- 35 Interview with Jitendra Jonchhen, Deputy Secretary General of General Federation of Nepali Trade Unions (GEFONT) in Kathmandu. Interview date: 6 April 2018.
- 36 Rastriya Samachar Samiti, 'Nepali Youth Languishing in Saudi Jail', *The Himalayan Times*, 16 March 2018, accessed 10 April 2018, <https://thehimalayantimes.com/nepal/nepali-youth-languishing-saudi-arabia-jail/>.

'Factsheet: Saudi Arabia' is part of a series detailing the situation of Nepali labour migration to the major countries of destination. The series is produced by the Centre for the Study of Labour and Mobility (CESLAM) at Social Science Baha, in collaboration with the Foreign Employment Board, Ministry of Labour, Employment and Social Security, Government of Nepal.

'Factsheet: Saudi Arabia' was prepared by **AMRITA GURUNG** at CESLAM.



Centre for the Study of  
Labour and Mobility

#### Social Science Baha

345 Ramchandra Marg, Battisputali, Kathmandu - 9, Nepal  
Tel: +977-1-4472807 • [info@ceslam.org](mailto:info@ceslam.org) • [www.ceslam.org](http://www.ceslam.org)



#### Foreign Employment Board

Bijulibajar, Kathmandu, Nepal  
Phone: 01-4220311/4220567  
Toll-free: 166001-50005 • email: [info@fepb.gov.np](mailto:info@fepb.gov.np)