

Temporary Unemployment Could Become Permanent

By Yoon Hyung-jun, Ahn Sang-hyun

April 25, 2020 08:55

A record 1.61 million were temporarily out of work last month, and there are fears that many will become permanently unemployed even if the coronavirus crisis is

Hana Tour, Korea's No. 1 travel agency, has placed 2,100 of its 2,500 staff on paid leave. "Travel demand is unlikely to recover within this year," a Hana Tour staffer says to keep all our staff but don't know what to do once government support stops in September. Huge layoffs are possible if travel demand does not recover by then."

Some 219 small travel agencies have closed since the epidemic erupted, and the ones that remain open face an uncertain future.



A jobseeker applies for a job at an employment office in Seoul on April 17. /Yonhap

"Travel demand during the summer season, which accounts for half of annual sales, is unlikely to recover," an official at the Korea Association of Travel Agents said. strong chance of a string of bankruptcies among small travel agencies that don't have enough cash reserves, and furloughed workers may not have a job to return to

The situation is also serious in the hotel industry.

Businesses that put workers on paid leave are only getting assistance from the government for up to 180 days. But if the economy fails to pick up after that period, more layoffs are in store.

Lee Geun-tae at the LG Economic Research Institute said, "Unemployment that started in the service sector is spreading to manufacturing and other sectors, raising massive job losses."