

Good evening Chair. Thank you for the floor. Private sector of Myanmar is a major contributor to GDP growth of the country. Over the past years, GDP growth illustrated a steady growth pattern, in 2016 - 5.9%; 2017 - 6.4%; and this year forecast by World Bank at 6.8%.

The growth is the evidence of employment created, the productivity output and harmonized co-operation between employers and workers.

- In recent years, Hundreds of thousands of new jobs have been created by the private sector.

Labor intensive manufacturing sector alone, created jobs, doubling from 2013 (200,000 approximate at that time) to now (well over 400,000 to nearly 500,000).

But child labor participation in the workforce according to Annual Labor Force Survey of 2017 First Quarter has reduced significantly, thanks to tripartite-work of constituents, government, workers and employers.

In 2015, working children (5 to 17 years) in total population of children was 10.5%, down to 6.5% in 2017. And child labor in total population of children reduced down to 5.1% in 2017 from 9.3% in 2015.

Recently Myanmar has developed a Myanmar Sustainable Development Plan (MSDP) which is in align with Nation's 12 point Economic Policy as well as the 17 Sustainable Development Goals

(SDGs), which ensures inclusive and sustained growth of the country and the people. Private sector is a prominent contributor to the action plans.

The Labor Organization Law of Myanmar, in align with Convention 87, provides establishment of labor organizations as well as rights and responsibilities of labor organizations.

The country knows best, the needs of our society based on the culture and customs of the country.

CAS (Committee on Application of Standards) shouldn't be micro-managing the country's internal legislation.

After all, Article 8 of Convention 87 clearly stated that "In exercising the rights for, in this Convention, workers and employers and their representative organizations, like other persons or organized collectivities, shall respect the law of the land."

Sensing the needs for the reforms of the existing laws, we, the social partners, employers, workers and government have been meeting for the 10th time since 2015 during National Tripartite Dialogue Forum, openly dialoging the reforms of the laws, based on the reality and the practice.

The government's proposed revisions to the Labor Organization Law include a new chapter on the formation of employer organizations, which employers see as a positive step. For your information, **as of today, 2018, there is only one township level employers' organization and one employer federation in the whole country.**

Myanmar is a young democracy and for a young democracy, the journey is long. No doubt, it will take time to get where we all want to

be. We, tripartite bodies, all have to work together with constructive approach.

Regarding the CEACR observations on penalties, the employers note that the issue of adherence to the law is vital. The issue is not just linked to the size of the penalty, and is not limited only to penalties for employers. The UMFCCI notes that the lack of significant penalties to deter illegal activities of unions is a major problem that currently has a significant, negative impact on industrial peace in Myanmar. The right of union members under Myanmar law to engage in a legal industrial action is noted. But union members carried out strikes using illegal tactics. One of the main tactics used is to fully and completely block the entrance to a factory compound. These blockades are in violation of Myanmar law and international best practice. They inevitably result in physical confrontation, which has happened repeatedly in Myanmar. These violent encounters have included instances where unionists assaulted factory management and other, non-union workers. Violations of the Labor Organization Law and regulations on strikes are also observed. There must be ways and solutions to deter these actions, through tripartite dialogues, and the government must enforce them or else industrial relations and rule of law will be undermined. The anarchy that currently characterizes industrial actions taken by union not in accordance with the laws of Myanmar is not conducive to positive labor relations. **On May 19, last month, over 30 foreign investors in manufacturing sector called a press conference, and made public, the industrial actions that have taken place frequently in the country, were not in accordance with the law, and that they were detrimental, not only to the already invested but also to potential investors. This would cause immense impact on job creation.**

Employers also note with great unease, the continued call by Myanmar unions for prison sentences against employers for minor, administrative labor law infractions, including on first offenses. These calls have been made repeatedly in labor law reform meetings, even though they go directly against the recommendations of the ILO provided to all social partners in Myanmar. The employers view these repeated calls as an indication that unions desire a punitive system of labor relations, and view them as unhelpful to the promotion of positive and productive labor relations in Myanmar.

As for the arbitration system, the employers note that they also lack confidence in this system. Despite clear statements in the law that the arbitration system is for collective disputes, the government insists on sending individual cases to the arbitration system as well, even though the law stated clearly that individual cases can put up complaint to competent court. Over 80% of the cases currently in Myanmar's arbitration system are individual cases, which have no business being there. Currently, tripartite dialogues on establishing a proper dispute resolution system has been taken place but results are not sure.

Myanmar's arbitrators are not required to have legal background and at the conciliation and first arbitration phase, members of unions and EOs can act as the conciliator or arbitrator themselves. The lack of knowledge and conflicts of interest often yield verdicts that are clearly against the law. We note one case where the arbitration system required the employer to reappoint a worker who had physically assaulted management, a fact that was captured by CCTV and agreed by all parties. Many verdicts require the employer to pay compensation far beyond the law in cases of redundancies. Verdicts such as these, contribute and undermine employer confidence in the arbitration system.

Employers noted some quite complicated cases, concerning Myanmar 1951 Factories Act, where only 2 types of businesses are mentioned, continuous work which the law allows 48 working hours in a week (8 work types mentioned ie. Ice-making factory, electrification plant, etc) and non-continuous work, for which the law allows 44 hours in a week (all the rest of work types).

Obviously, for newly developed industries, such as security service industry, oil and gas industry, garment, apparel, shoe, bag, food processing industry, the rigid working hours are not in tune with the need of such industries which require more flexibility. The requirements that employers pay additional overtime at double the normal pay is very costly and not sustainable, making such employers very uncompetitive.

Thank you.