



NEWSLETTER

MYANMAR GARMENT MANUFACTURERS ASSOCIATION

MGMA

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June 2018

NEWS

MGMA Secretary General Attended 107th ILO Conference

MGMA Secretary General attended 107th ILO Conference in first week of June 2018 in Geneva, Switzerland. In the conference, Myanmar had been named among 24 countries to come under scrutiny by the International Labour Conference Committee on the Application of Standards (CAS) for alleged violations of international labour Conventions.

Responding to the CAS allegations, Daw Khine Khine Nwe said, "CAS (Committee on Application of Standards) shouldn't be micro- managing the country's internal legislation".

Apparel Insider quoted what she said in its article, "ILO told to stop meddling by Myanmar garment body". The article can be read here: <https://apparelinsider.com/stop-meddling-myanmar-garment-body-tells-ilo/>

Employer and Labour Organization Law (Draft)



Amyotha Hluttaw, Internal and External Labour Affairs Committee invited UMFCCI to attend meeting on 2018-06-06 in Nay Pyi Taw. Representatives from UMFCCI attended the meeting. The meeting was attended by representatives of government, employer and workers. In the meeting, the committee discussed a draft named as "Employer and Labour Organization Law (Draft)" which is intended to substitute or amend the existing "Labour Organization Law (2011)". The draft can be downloaded at <https://drive.google.com/openid=1XrNjnLHhEppD4FRxNIMWgbOr9emEBXZi>.

To share information from that meeting and collect comments on the draft, UMFCCI organized a meeting on 2018-06-21 in Mingalar Hall, 1st Floor, UMFCCI. The meeting was attended by Myanmar Garment Manufacturers Association Chairman U Myint Soe and members of CEC and EC. Meeting minute is here: <https://drive.google.com/open?id=0B5M5oZ6z0tOhNXlrRWxSSXNEVWdrdkNyZmhvNmctbWFzVTIN>

PRIORITY

Amending Labor Organization Law 2011

Amyotha Hluttaw, Internal and External Labour Affairs Committee invited UMFCCI to attend meeting on 2018-06-06 in Nay Pyi Taw. Representatives from UMFCCI attended the meeting. The meeting was attended by representatives of government, employer and workers. In the meeting, the committee discussed on "Employer and Labour Organization Law (Draft)" which is intended to substitute or amend the existing "Labour Organization Law (2011)".

The draft is named as "Employer and Labour Organization Law (Draft)" and comprised with amendments of provisions in existing "Labour Organization Law (2011)". But numbers of sections on same issues between the draft and existing law are different. For example, section defining illegal strike is (41) in the existing Labour Organization Law (2011) but (42) in the Employer and Labour Organization Law (Draft). Existing Labour Organization Law (2011) has only one section in one line for forming employer organization while the draft includes one chapter for forming employer organization. In the draft's punishment chapter, lockout without township conciliation body's approval, hindering or threatening



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workers who want to work in strike can be fined 100 million Kyat and/or punished at least 6 months imprisonment. The draft can be downloaded here:

<https://drive.google.com/open?id=1XrNjnLHhEppD4FRxNIMWgbOr9emEBXZi>

Export License Exemption for Re-Exporting Goods Falsely Imported

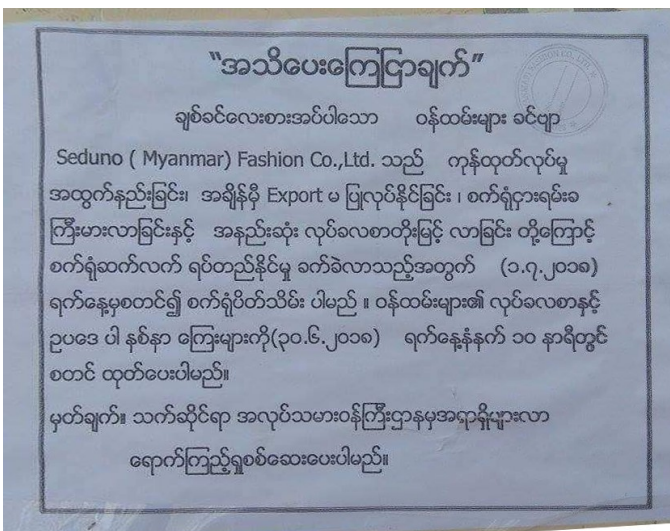


To re-export goods imported for garment with wrong order style, order canceled, disqualified and wrong address, only Export Declaration is required from Customs Department. But recently Myanmar Customs Department said those exports will need export license because of MACCS system. Therefore Myanmar Garment Manufacturers Association sent a letter dated 2018-05-09 and demanded to continue the current procedure for CMP that export license is not required.

As MGMA's letter, Ministry of Commerce, Trade Department replied a letter dated 2018-06-15, Letter No. ကသရ(ဦး)၊ ဝိ/သွင်း/၂၀၁၈ (၁၄၆၂) and notified that "Re-exporting Goods other country wrongly exported is exempt from export license".

Seduno Closing

Seduno (Myanmar) Fashion labour strike was famous with violent blockage, threatening working workers, hitting HR Manager with steel launch box and other exciting incidents in beginning of 2018. Four and half months after the strike, Seduno (Myanmar) Fashion garment factory was closed on 30th June 2018. The factory mentioned reasons of closing that low productivity, missing export dates, expensive factory rental fees and increase of minimum wage. Workers were paid severance and other benefits in accordance with law.



Seduno factory was making garment for H&M and had basic labour organization linked to CTUM. There were 488 workers when it was closed.

In factories, workers are using tactics of collective reducing productivity and manipulating rules and regulations to gain interests above rights given by law. They are using more and more tactics instead of negotiating by give and take. It is very difficult to take action against those behaviors in workplace. The provision of dismissal can only be applied by "concrete reason" is also providing cover for those workers.



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ACTIVITY

EC Kick-Off Meeting



To improve capacity of MGMA Executive Committee members, Strategy Development and Planning Workshop was held in November 2017 at Pepper Garden Resort, Kimpon Camp, Kyeik Htee Yoe. The workshop was funded by AVE - Foreign Trade Association of German Retailers. To implement ideas and plans emerged from that workshop, MGMA EC Kick-Off Meeting was held at Lotte Hotel, 8-11 June 2018 with support of AVE too.

HR Management Development Training

Myanmar Garment Manufacturers Association and AVE - Foreign Trade Association of German Retailers are working in cooperation on providing training to improve capacity of managers in member factories. Problem Solving on Reducing Turnover and Absenteeism trainings are being conducted in MGMA's training room. Participants are divided into 4 groups and provided training on weekends started from 2018-06-16 to 2018-07-14. Then in-factory trainings will follow.

		UPCOMING
Description	Date	Place
1. HR Management Improvement Training In-Factory Training HR Management Improvement Training for problem solving, with focus on "Reducing Turnover and Absenteeism The course is specially designed to improve social compliance standards, as well as problem solving skills and productivity in your factory. The On-site Factory Training will be individually scheduled between the participants and MCY trainer within a period of 3 weeks after the workshops.	Jun, Jul 2018 Aug, Oct 2018	UMFCCI On-Site
2. Advanced CSR Workshop Advanced CSR Workshop on Social Management System & Remediation Plan is organized by MGMA and funded by Foreign Trade Association of German Retailers - AVE	3 - 5 July 2018	Room - 406, UMFCCI



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NEW MEMBERS IN APRIL 2018

Number of New Factories in May 2018		2
Country	No. of Factories	No. of Workers
Chinese	2	1381
TOTAL	2	1381

MEMBERSHIP UPDATE AS OF 2018-05-03

Status	Country	No. of Factories	No. of Workers
Active	Myanmar	199	58546
	Chinese	184	155491
	Korea	55	89083
	Japan	19	15754
	Others	59	57511
Inactive	All	54	
TOTAL		570	391003