



NEWSLETTER

MYANMAR GARMENT MANUFACTURERS ASSOCIATION

MGMA

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April 2018

NEWS

Minimum Wage Notification



ပြည်ထောင်စုသမ္မတမြန်မာနိုင်ငံတော်အစိုးရ
 အနည်းဆုံးအကြေးငွေသတ်မှတ်ရေးဆိုင်ရာ အမျိုးသားကော်မတီ
 (အမိန့်ကြော်ငြာစာအမှတ်၊ ၂/၂၀၁၈)
 ၁၃၈၀ ခုနှစ်၊ ကဆုန်လပြည့်ကျော် ၁၅ ရက်
 (၂၀၁၈ ခုနှစ်၊ မေလ ၁၄ ရက်)

အနည်းဆုံးအကြေးငွေသတ်မှတ်ရေးဆိုင်ရာအမျိုးသားကော်မတီသည် ၂၀၁၃ ခုနှစ်၊ အနည်းဆုံး အကြေးငွေဥပဒေ ပုဒ်မ ၅၊ ပုဒ်မခွဲ (င) နှင့်(စ) တို့ပါ အပ်နှင်းထားသော လုပ်ပိုင်ခွင့်ကို ကျင့်သုံး၍ ပြည်ထောင်စုအစိုးရအဖွဲ့၏ အတည်ပြုချက်ဖြင့် အနည်းဆုံးအကြေးငွေနှုန်းထား ပြင်ဆင် သတ်မှတ်သည့် ဤအမိန့်ကြော်ငြာစာကို ထုတ်ပြန်လိုက်သည်။

After National Minimum Wage Committee confirmed Minimum Wage rate 4800/-MMK per day (8 working hours) in its committee meeting on 5th March 2018, it had been over 2 months of delay to release notification with approval of the cabinet. On 14th May 2018, the committee released Minimum Wage Notification No. (2/2018). In notification, the minimum wage rate 4800/- MMK per day (8 working hours) is prescribed starting from the date of notification and covering all workers in all

industries in Myanmar. And also the notification says that businesses with number of workers less than 10 shall not be subject to this prescription. Therefore all businesses with 10 and above workers shall pay minimum wage rate 4800/- MMK per day starting from 14th May 2018.

Buyers' Forum



Myanmar Buyers' Forum was held on 28th May 2018 at Sedona Hotel, Yangon. The forum was attended by Ministry of Commerce deputy minister, U Aung Htoo, Myanmar Garment Manufacturers Association chairmen, secretary general and members of central executive committee, European Ambassador Mr. Kristian Schmidt, representatives from

popular retailer brands, dignitaries from local and oversea organizations. The forum was organized with intention of creating opportunities for business persons to meet with popular retailer brands, said Mr. Jacob Clere, team leader of Smart Myanmar, main organizer of the forum. Smart Myanmar organized the forum in cooperation with partner associations, MGMA, AVE, BIF. The deputy minister U Aung Htoo and the ambassador Mr. Kristian Schmidt gave their opening speeches. MGMA chairman U Myint Soe presented current situation of the industry. Mr. Kristian Schmidt said in his opening speech that European imported 1.1 billion of garment from Myanmar in 2017 and it was 62% increase over 2016-2017 fiscal year.

Hired More Staffs for Fully Online License System

All MGMA members started using online import/export license application system starting from 5th May 2018. There are some unexpected difficulties and problems at the beginning because so many license applications are submitted at the same time and other technical problems happens around the system. Therefore MGMA hired more staffs to work on checking license applications. In addition, as persons from member factories still can not use the system although MGMA finished providing training on it free of



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charge, the association is providing individual training with charges. Member factories can contact to MGMA hot lines, +95 9 443399441 and +95 9 443399442.

PRIORITY

Minimum Wage 4800 and OT Rate

After Minimum Wage Notification No. (2/2018) was released on 14th May 2018, OT rate has been disputable. According to a directive, letter No. 668/5/AhLaYa-Law 2/2015(4881) released by Factory and General Labor Laws Inspection Department headquarter in Nay Pyi Taw on 5th October 2015, it is to calculate 2 times based on basic salary.

Blockage Strikes

In Yangon, Jasmine Palace Hotel on 19th May 2018, there was a press conference attended by over 20 foreign business persons running factories in Myanmar. They said in the press conference that some labor unions are instigating labor strikes in some industrial zones and there are difficulties to continue business. Workers' demands are what no employer in other country won't comply with, for example, do not command workers, pay without work, said Mr. Ron who is running a American based backpack factory, Wise Pearl. Although Myanmar was the best while Cambodia's garment market is declining, now there are many things to consider because of instability in workplaces. This news is released by 7DayDaily news journal on 20th May 2018. The news can be read here: <http://www.7daydaily.com/story/126961>.

Since late 2017, illegal blockage labor strikes were re-happening in the industry. They are becoming more just before and after minimum wage (4800) notification released on 5th May 2018. Most of strike happened for dispute on wages. Workers went strike immediately before receiving arbitration body's decision. They blocked the gate and cargo-trucks for exporting are stuck. They stayed in factory compound 24 hours.

2012, The Settlement of Labour Dispute Law, Section (40) says that, "No party shall proceed to lock-out or strike without accepting negotiation, conciliation and arbitration by Arbitration Body in accord with this law in respect of a dispute".

And any person who violates prohibition of Section (40) be punished with a fine at least five hundred thousand kyat in accord with the Section (48) amendment in 2014 of The Settlement of Labour Dispute Law 2012.

Therefore it is recommended to collect whatever data and evidence available if such blockage strike happens in your factory. To start filing lawsuit in accord with the above Section (40), approval of arbitration council shall be acquired in accord with the amendment in 2014 of The Settlement of Labour Dispute Law, Section 54(A).



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UPCOMING

Description	Date	Place
<p>1. HR Manager Development Training, funded by AVE Factory Training HR Management Improvement in 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. <u>The On-site Factory Training</u> will be <u>individually</u> scheduled between the participants and MCY trainer within a period of 3 weeks after the workshops.</p>	<p>June, July 2018 Aug, Oct 2018</p>	<p>UMFCCI on-site</p>
<p>2. Kick-off meeting for new EC board and training for active EC committee chairs, funded by AVE Kick Off Seminar for MGMA Executive Board will be in Lotte Hotel, Yangon with three days consecutively from 8th – 10th June 2018. The seminar aims to “integrate” the recently appointed EC Board members and recap the mission, vision and targets of MGMA. Furthermore, to build capacity within the MGMA Executives and Management Board in terms of organizational management and setting-up of committees, in order to provide the garment industry to develop.</p>	<p>8-10 June 2018</p>	<p>Lotte Hotel</p>

NEW MEMBERS IN APRIL 2018

Number of New Factories in May 2018		3
Country	No. of Factories	No. of Workers
Chinese	3	Unknown
TOTAL	3	Unknown

MEMBERSHIP UPDATE AS OF 2018-05-03

Status	Country	No. of Factories	No. of Workers
Active	Myanmar	199	58546
	Chinese	182	154560
	Korea	55	89083
	Japan	19	15754
	Others	59	57511
Inactive	All	54	
TOTAL		568	375454