



# NEWSLETTER

MYANMAR GARMENT MANUFACTURERS ASSOCIATION

MGMA

NEWSLETTER

June, 2019

NEWS

## 108<sup>th</sup> Session of the International Labour Conference



9<sup>th</sup> Floor, UMFCCL, No.29, Min Ye Kyaw Swar Road, Lanmadaw Township, Yangon, Myanmar. +95 1 2314829,  
2300253, [myanmargarments@gmail.com](mailto:myanmargarments@gmail.com), [www.myanmargarments.org](http://www.myanmargarments.org)



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The 108<sup>th</sup> International Labour Conference took place in Geneva, Switzerland from 10 to 21 June 2019. It brought together over 6,000 delegates from around the globe to find solutions to the challenges of the future of the world of work, and celebrate the Centenary of the International Labour Organization. The 108<sup>th</sup> ILC was attended by Myanmar Government's Delegate, Ministry of Labour, Immigration and Population Prime Minister U Thein Swe, Employers' Delegate, UMFCCI Joint Secretary Daw Khine Khiine Nwe, Labors' Delegate, CTUM President U Maung Maung, MICS-TUFS Secretary General U Thet Hnin Aung and other Labours' Delegates. Ministry of Labour, Immigration and Population Prime Minister U Thein Swe gave speech that congratulated for the Centenary of the International Labour Organization. He mentioned that the legal improvement process for Labours in Myanmar, the process of ratifying the ILO's Convention No.138 for effective abolition of child labour and we need technical assists and other international aids including ILO to effectively implement for "Future of Work". UMFCCI Joint Secretary Daw Khine Khiine Nwe mentioned that the role of Myanmar Garments sector and UMFCCI is a National Employer Organization fully representing the voice of all of the Businesses in Myanmar in her speech. She presented the previous, current and future activities of UMFCCI, the upcoming plans to promote Social Dialogue between Government, Employer and Labour that is one of the recommendations of "work for a Brighter Future" report, free of child labour since late of 2018 and UMFCCI is ready to fully participate in the development process of Myanmar's business sector in future. CTUM President U Maung Maung gave speech and highlighted that the conditions and needs of Myanmar Labours and requested the ILO to support more Industrial Relations Awareness and technical supports. The 108<sup>th</sup> International Labour Conference was held for 10 days and the international delegates voted the Convention and Recommendation.

Results of final record vote are following:

- (1) Adoption of the Violence and Harassment Convention and Recommendation (Co.190 & No.29)
- (2) Adoption of the Programme and Budget for 2020-21 and other Finance committee matters.



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## **The Strike case of Hong Ri (Wallet factory)**

Hong Ri (Wallet factory) is located in No (144), Pyin Si Minthar Gyi Road, Shwe Linbann Industrial zone, Hlaing Thar Yar Township and the owner is Chinese. There is a Basic Labour Organization which connected with CTUM and the number of total workers are over 600 peoples.

- The workers began their demanding at the factory on Monday and Tuesday (24-25 June 2019).
- Over 300 workers started the strike at Wednesday (June 26, 2019).
- HR Manager and the worker made internal negotiation for their 15 demands. Among these demands, 12 demands are able to approve by factory side but other 3 demands are not able to approve because of financially demands. That why, the internal negotiation was not success and they could find the solution.
- The factory side requested to keep going negotiation after Export process because it was much close to finish the Export but the workers not accepted.
- The workers continued their strike and blocked Export cars which contain export products.
- That why, HR Manager send email to the Local Police Station, Settlement of Labour Affairor, Department of Labour Relations and General Administration Department (Hlaing Thar Yar) to help and resolve for getting the outgoing permission of Export Cars.
- At Friday (June 28, 2019), a man came to the workers who are being strike and talk to remove the blocking because the containers must be go out. After that, about 20 peoples came with a car and entered into the factory. At morning of Saturday (June 30, 2019), all lights of factory' inside and outside are shut down and there was a conflict. The Labours said that the guys who was not recognized threatened to works by using knives (e.g. Putting knife on the neck) and commanded to remove the blocking to go out the containers.
- The workers accused that owner hired bad guys to beat strike workers.





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- HR manager said that he got deep sleeping at Friday night because he was very tired in last Thursday and Friday. He saw many missed calls and SMS even morning of Saturday.
- HR manager said that after this case, one of the containers could go out of the factory and local police force stopped to this car on way.

The case story of Hong Ri is a notice for all production businesses which have to use many labour forces and located in Industrial Zones, Yangon.

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## Employers' Package Report for 6 months (January – June)

We already launched the “**Employers' Package Services**” on 1<sup>st</sup> MGMA Members' Day (12.1.2019) and 2<sup>nd</sup> MGMA Members' Day (23.5.2019) at Sedona Hotel. Until now, we are implementing these services and it has been six months (January – June).

From January to June, we have about **60 members** in our employers' package and they are getting and using all of the services from us. We are giving some services such as giving knowledge, briefings, information and advice, assistance in case of labour dispute, training and skills and also voluntary labour audit service. Among our services, most of the members are using/getting all of services, but mainly using/getting “**training services**”.

We already done **eleven training courses** under these topics such as: (1) Introduction to applied labour laws, (2) Understanding and interpreting labour laws, (3) Leaves and holidays, (4) Grievances, Termination of employment and dealing with strikes, (5) Employment contract and workplace rules, (6) Payment of wages, overtime calculation and variable pay systems, (7) Dealing with absenteeism, (8) Preparing for audit, (9) Basics of occupational safety & health, (10) Improving Productivity and (11) Forming and Functioning of WCC.

All of these trainings, we scheduled **twice a month on Saturdays at 1:30 pm – 4:30 pm**. During six months, we have **11 trainings/courses** (*mentioned above*) and all of the training

9<sup>th</sup> Floor, UMFCCL, No.29, Min Ye Kyaw Swar Road, Lanmadaw Township, Yangon, Myanmar. +95 1 2314829,  
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took 3 hours of each training (**totally 33 hours for six months**) at Insein GTI, Dakhina Building.

According to our attendance list, there were 45-55 (average) participants joined each of the training and totally for six months over **500 participants from over 70 factories** joined to these trainings. But noted that some were regular participants and others were occasional participants and in total we had around 200 different persons attending to these trainings. Most of the participants are from management level such as: HR manager, Account, Admin, Factory manager and even general manager are also joined to these trainings. At these trainings, **70%** of the participants are female and **30%** of male participants are also joined. So, we can calculate that about 140 are female participants and left 60 participants are male in average (among 200 participants of during six months).

After the training, we have **85 - 90%** of participants are satisfied with the training according to our evaluation forms. Moreover, we took some advices for next six months calendar (July – December) such as

- Which courses do they want more information?
- Which courses want to add to next calendar? Etc...

After getting advices and information from participants, we scheduled the next six months calendar according to their demanding and interesting. Now we are conducting pilot test for “**Labour audit services**” in selected members’ factories. We already finished conducting pilot test for one factory and we are preparing to conduct pilot test for next one factory. **We hope our members can use this voluntary labour audit service at the end of July.**

PRIORITY

## Settlement of Disputes Law and the role of WCC

On June 3, 2019, Pyidaungsu Hluttaw enacted “2<sup>nd</sup> time reviewed of the settlement of disputes law”. There is amended some punishment section by raising fines from 1 lakh (MMK) to 300 lakh (MMK) and there is also divided two kinds of disputes such as “rights of disputes” and “benefits of disputes” relating to the disputes.



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There is also included some facts relating to the Workplace Coordination Committee – WCC. Before this law, there are two representatives from employer side and two representatives from employee side included in the WCC formation and then they replaced “there are **three representatives from each side**” at the 2<sup>nd</sup> time reviewed of the settlement of disputes law. In the new amending Rule for the law, they will put some required fact such as “if the factory has Basic Labour Organization (BLO), how they manage or choose for WCC members”. And they also raised the term of WCC from (1) year to (2) years.

According to the second amended of the law, WCC will discuss and settle during (7) days when they receive disputes. If they have agreement, they will make a contract as a “Collective Agreement” and will send it (copy) to township conciliation body. In this law, there is a new definition for “Collective Agreement” and the term is (1) year. During this term, there is no more claim/demand for the facts including collective agreement. If one side breached/not follow the agreement/contract, the other side can submit the case to the township conciliation body. If there is no agreement and want to continuously submit the higher conciliation body and want to accept the decision, employer or employer can submit to those relating to the conciliation body.

According to the above facts of this new amended law, we can see that “WCC is the main role in good industrial relation between employers and workers”.

In **Section (5)**, it provided that:

WCC is promoted for better relationship between employers and workers, better working conditions, discussion of disciplines and occupational safety and health and improving productivity. So, we can assume that WCC is the main role in industrial relation and it is important to pay some authority, decision making power, chances, assisting and training for better role in industrial relation. We can divided (4) parts for WCC functions. They are as follows:

- (1) Settlement the disputes
- (2) Making regular meeting
- (3) Cooperating in setting of production on target
- (4) Negotiating when the problems/cases emerge



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We can make settling of disputes according to the regulation of settlement of disputes and other case, we can accommodate basic needs of the factory and can handle the issues in accord with the labour laws.

## ACTIVITY

### Seminar in Collaboration with AYA Bank and TUV Rheinland

Seminar in Collaboration with AYA Bank and TUV Rheinland was held on 7 June 2019 at 1<sup>st</sup> Floor, Dakkhina Building, Insein GTI Compound. The purpose of this seminar is to launch the services of AYA Bank and TUV to MGMA's members. 34 representative persons from 23 member factories of MGMA attended to this seminar. MGMA Central Executive Committee Member U Tun Tun gave opening speech. At the first section, the officers of Smart Myanmar and AYA Bank made introducing their services such as: AYA Green Financing and SME Loans. At the second section, the local officers of TUV Rheiland introduced and presented about that understanding updated requirements for social compliance audits of common CSR schemes, updated local laws and requirements on Labour by TUV Rheiland. And then, the officers of AYA Bank, Smart Myanmar and TUV Rheiland answered the questions of participants. The seminar was successfully finished at 5:00 pm.







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## Level 1 HR Training focusing on Garment Factories

Level 1 HR 3 days training was held by collaboration of MGMA and Smart Myanmar on 26-28 June 2019 at 1<sup>st</sup> Floor, Dakkhina Building, Insein GTI Compound. 21 representative persons from 14 member factories of MGMA attended to this training. Opening remarked by MGMA Secretary General Daw Khine Khine Nwe and Treasurer Daw Htay Htay Aye. The main 4 topics of this 3 days training are (1) HR Management System, (2) Effective Problem solving, (3) Good System/ SOP, (4) Effective Training. Trainers used some training methods such as: group discussions, activity games and Q&A sections to get full interesting and participating of trainees.



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## Social Compliance Training

Social Compliance 2 days training was held by collaboration of MGMA and Smart Myanmar on 2-3 July 2019 at 1<sup>st</sup> Floor, Dakkhina Building, Insein GTI Compound. 21 representative persons from 15 member factories of MGMA attended to this training. The main topics of these training are (1) Social compliance System and (2) Myanmar Laws relevant for implementing compliance within the factory etc. Participants are HR staffs who are working for their related factory filed that why they made fully participation and asking question. Social Compliance Training was successfully finished at the evening of second day.



## UPCOMING EVENTS

### Meeting & Conference

Sr.	Description	Date	Place
1.	Supplier Seminar for Labour minute costing and price negotiations with buyers	10 July 2019	1 <sup>st</sup> Floor, Dakkhina Building, Insein GTI Compound.
2.	3 <sup>rd</sup> Myanmar Textile Summit 2019	30-31 Oct 2019	SEDONA Hotel, Kabar Aye pagoda road, Yangon.
3.	The 8 <sup>th</sup> Myanmar International Textile and Industry Exhibition	1-4 Nov 2019	Yangon Convention center (Inya Lake Hotel Compound)

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## Training

Sr.	Title	Date	Place
1.	Applied Labour Laws (Service by Employer Package)	13 July 2019 1:30pm to 4:30pm	1 <sup>st</sup> Floor, Dakkhina Building, Insein GTI Compound.
2.	Improving Productivity (Service by Employer Package)	27 July 2019 1:30pm to 4:30pm	1 <sup>st</sup> Floor, Dakkhina Building, Insein GTI Compound.
3.	Level 2 HR (SMART Myanmar)	30 July (Draft)	1 <sup>st</sup> Floor, Dakkhina Building, Insein GTI Compound.

## NEW MEMBERS IN JUNE 2019

Number of New Factories in June 2019		0
Country	No. of Factories	No. of Workers
China	7	6537
Korea	1	720
(JV) Myanmar	1	180
<b>TOTAL</b>	<b>9</b>	<b>7437</b>

## MEMBERSHIP UPDATE AS OF 2019-06-30

Status	Country	No. of Factories	No. of Workers
Active	Myanmar	111	73341
	Chinese	216	197560
	Korea	63	58225
	Japan	19	54462
	Others	135	68570
Inactive	All	89	0
<b>TOTAL</b>		<b>633</b>	<b>452166</b>

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## ADVERTISEMENT

သင့်လုပ်ငန်းအတွက်  
စိတ်ကူးသစ်များထိုးချဲ့နိုင်ပါပြီ။

Ko Phyo Hein Zaw (Founder)



မင်္ဂလာပါ မင်္ဂလာ။

မြန်မာနိုင်ငံကို Telecom Company တွေဝင်ရောက်လာချိန်မှာ sim card တွေကို ရောင်းချရင်းနဲ့ Snoopy Mobile Shop ကို တာမွေမှာ စတင်ဖွင့်လှစ်ခဲ့ပါတယ်။ ဥနစ်ကျော်ကာလအတွင်း ရန်ကုန်မှာဆိုရင်မိုင်း ၅ ဆိုင် ဖွင့်လှစ်နိုင်ခဲ့ပါတယ်။

ကျွန်တော်အနေနဲ့ Snoopy Mobile Shop ကို မြန်မာပြည်အနှံ့ ဖွင့်လှစ်ချင်တယ်။ Customer တွေ စိတ်ကြိုက် စီထုတ်ပို့ပေးတဲ့ product တွေရောင်းချပြီး ပိုမိုကောင်းမွန်တဲ့ ဝန်ဆောင်မှုတွေ ပေးချင်ပါတယ်။ ဒါကြောင့်မို့လို့ AYA Bank မှ AYA SME ချေးငွေဝန်ဆောင်မှုကို ရယူခဲ့ ပါတယ်။ AYA Bank မှ ချေးငွေရယူပြီး အချိန်တိုအတွင်းမှာပဲဆိုရင် ၂ ဆိုင်ထက်ပိုတိုးချဲ့ပြီး လက်ရှိ ဆိုင်ခွဲ မိုင်း ၇ ဆိုင် ဖြင့်လည်ပတ်နေပါတယ်။

AYA Bank ကလဲ Customer တွေအပေါ်မှာ နွေးထွေးစွာဆက်ဆံပြီးဝန်ဆောင်မှုကောင်းတော့ ကျွန်တော့်လုပ်ငန်းတွေကို AYA Bank နဲ့လက်တွဲလုပ်ကိုင်တာများပါတယ်။ မိတ်ဆွေတို့ ချဲ့လှင်ငန်း လည်း ထပ်မံတိုးချဲ့လုပ်ကိုင်ဖို့ AYA SME ဝန်ဆောင်မှုနဲ့ တိုးချဲ့လိုက်မိလို့ အကြံပြုလိုက်ပါ ရစေချာ။

Ko Phyo Hein Zaw  
Founder  
Snoopy Mobile

AYA SME နှင့် ပတ်သက်ပြီး အသေးစိတ်သိရှိလိုပါက SME Banking ၏ Hot Line နံပါတ် 09443730655, 09 443730659 သို့ ရုံးချိန်အတွင်း ဆက်သွယ်၍ ဖုန်းမေးမြန်းနိုင်ပါတယ်။

24/7 ဆက်သွယ်ချင်ပါက- AYA Contact Center  
01 231777 သို့ ဆက်သွယ်၍ ဖုန်းမေးမြန်းနိုင်ပါတယ်။  
စိတ်ချယုံကြည် ခရာဝတီ - Your Trusted Partner

## Fair Wear Foundation



Fair Wear Foundation is a movement for change. Our goal is to push the garment industry towards the new normal: a world where fashion is fair for the people who make our clothes. We've joined forces with brands and other industry influencers to support garment workers in realising their rights to safe, dignified, properly paid employment.

Our member brands are our partners. Together we are uncovering new solutions and driving step-by-step improvements that will make fashion fairer for everyone. Our brands take responsibility for labour conditions in the garment factories they work with. They're aware of the risks and work hard to limit them, by changing the way they do business. The solutions they work towards are good for business, good for people and good for our industry. Join us at the forefront of changing how clothes are made.

FWF member companies represent over 130 brands and are based in Europe; member products are sold in over 20,000 retail outlets in more than 80 countries around the world. [www.fairwear.org](http://www.fairwear.org)

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to Find out  
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- amfori BSCI Audits
- SA 8000 - Social Accountability Certification
- Sedex Audit (SMETA)
- PSCI Audit Program
- DETOX for Fashion Supply Chains

TÜV Rheinland Thailand Ltd.  
18 F, Tararom Business Tower  
2445/36-38 New Petchburi Road Bangkok  
Huay Kwang, Bangkok 10320  
info@tha.tuv.com

[www.tuv.com](http://www.tuv.com)

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Precisely Right.

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