



# Press Conference on the 'Current situation in Garment Sector'

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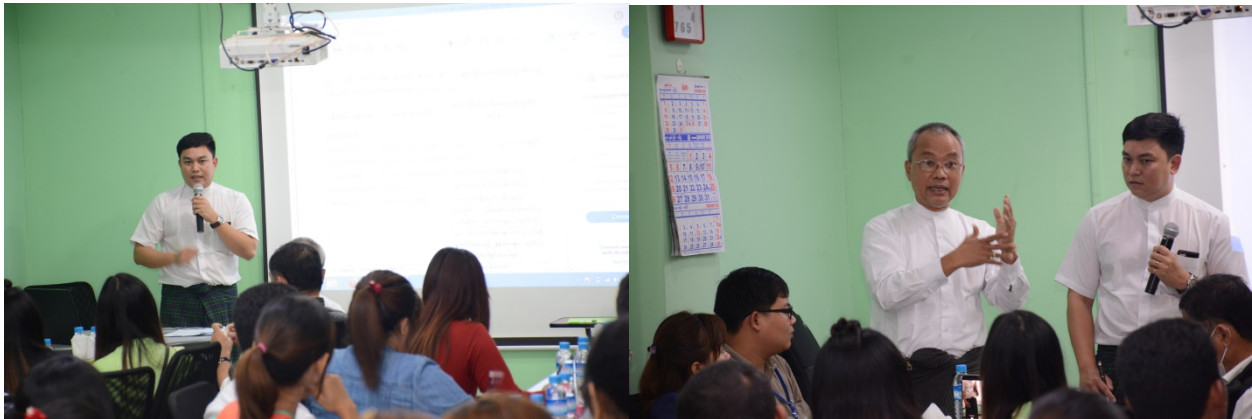
## MGMA held the meeting for 'Using House BL' on February 6, 2020

The meeting for 'Using House BL' held in Myanmar Garment Manufacturers Association (MGMA) on February 6, 2020, Chairman of MGMA, and members of MGMA participated in the meeting.



**Participates in the meeting session**

U Tin Aung Hein from Custom Working Group (MGMA) opened the meeting by explaining the 'House BL' and 'NVC' system to the MGMA' Members. Moreover, the members of MGMA asked questions, Chairman, and U Tin Aung Hein answered to the MGMA' Members. Then the president of MGMA concluded the meeting by delivering the gratefulness speech to the MGMA' Members.



**Chairman and U Tin Aung Hein answering the questions from the MGMA' Members**



## Launching Four New Products for MGMA' Members in corporation with ILO

MGMA organized an event: 'Launching Four New products', with ILO Yangon on February 17 2020 at UMFCCI tower 4<sup>th</sup> Floor. Daw Khine Khine Nwe from MGMA and Mr. Donglin Li from ILO Yangon delivered the opening speech to the guests.



**Daw Khine Khine Nwe**  
**(Secretary General ,MGMA)**



**Mr. Donglin Li**  
**(Liaison Officer, Yangon)**



**Meeting Session(Launching four new products)**

Then, Ms. Catherine Vaillancourt-Laflamme, ILO- GIP presented about 'The business case for addressing absenteeism and turnover in Myanmar's garment sector'. Mr.Jared Bissinger (Bissinger Consulting) also gave the presentation on the 'Automation and Digitization in the Myanmar Garment Sector'. After that, the Labor Officer from MGMA explained the new services- Voluntary Labor Assessment Compliance and An induction tool kit for new garment workers 'to the members of MGMA. The event was concluded by the gratefulness speech from Mr. Lee Dong Eung (ILO Bangkok).

## Participating the 'CLMV to Japan and global value chain in textile industry' workshop in Cambodia

The 'CLMV to Japan and global value chain in textile industry' workshop was held by the leading of Asian-Japan center (AJCJ) on February 13,14 2020 in Phnom Penh, Cambodia.



**Group Photo of Representatives**

The representatives from Cambodia, Laos, Myanmar and Vietnam participated and discussed about the export potential to the Japan and global value chain in textile industry in the workshop. A representative from the Ministry of Commerce and Daw Yin Yin Moe (Central Executive Committee of Myanmar Garment Manufacturers Association) participated and discussed in the meeting as the Myanmar' representatives.

## Press Conference on the 'Current situation in Garment Sector'

Press Conference on the 'Current Situation in Garment Sector' held on 21<sup>st</sup> February, 2020 at Myanmar Garment Manufacturers Association (MGMA, 9<sup>th</sup> Floor, UMFCCI). A Chairman and Executive Committees from MGMA, Chairman and Secretary from Myanmar Chinese Textile and Garment Association and Chairman and Secretary from Korea Garment Association in Myanmar and Medias attended to the conference. Daw Khine Khine Nwe (Secretary General, MGMA) explained the purpose of the conference to the Medias. Then U Aung Myo Hein (Central Executive Committee, MGMA) told about the shortages of raw material, which came from China due to the outbreak of Coronavirus (COVID 19). Both of the Chairmen from Myanmar Chinese Textile and Garment Association and Korea Garment Association in Myanmar also addressed about the challenges facing the shortages of raw material.



**Daw Khine Khine Nwe(Secretary General, MGMA)**





**U Aung Myo Hein  
(Central Executive Committee, MGMA)**



**U Tun Tun(Central Executive Committee,  
MGMA)**

Then U Myint Soe (Chairman of MGMA) answered to the question from 7 days media , which is 'What can we do for the workers if the raw materials are completely out of stock?', When the American Sanction affected to us, the garment sector was 100% affected and we reduced the working hour until we got the another market, later when the garment factory could not get the market, they reduced the labor force, even the reduces of labor force could not get it, the factory can be closed temporarily. DVB media also asked 'Will there be any delay on the setting the minimum wages?' Daw Khine Khine New (Secretary General, MGMA) and U Tun Tun (Central Executive Committee, MGMA) replied that 'There is no delay in the setting of Minimum wages and we are collecting the data'. Moreover, other Medias also asked the questions that they want to know and then the conference ended.



## Donate Sewing Machines from Myanmar Garment Manufacturers Association

Donation Ceremony of Sewing machines (22 motors) from Myanmar Garment Manufacturers Association organized at National League for Democracy (NLD), Suu Vocational Institute, HlaingTharYar at 1: 30 pm on the 22<sup>nd</sup> February, 2020. Union Minister Dr.Than Myint from Ministry of Commerce, Vice Chairman U Kyaw Win and Executive Committees of MGMA and authorities from Suu Vocational Institute attended to the donation ceremony of sewing machines.



Donation Session and participants of Donation

## **‘Meeting about the Shortages of Raw Materials caused by Coronavirus (COVID 19)’**

Meeting about the shortages of raw materials was lead by the UMFCCL on 26 February 2020: 3 pm at the 1<sup>st</sup> floor meeting room of UMFCCL. Daw Sandar Min(Hluttaw MP, Finance, Planning and Economic Commission(President), Daw Ei Shwe Sin(Central Labor Committee, NLD), Representatives from UMFCCL, Representatives from Myanmar Garment Manufacturers Association(MGMA) and its members, Authorities from Hluttaw, Representative from each department. The purpose of the meeting is to discuss about the challenges and problems due to the shortages of raw material from China said by U Zaw Min Win (Chairman of UMFCCL). In addition, representatives from each department presented about the difficulties facing due to the shortages of raw materials caused by Coronavirus (COVID 19). Korea Garment Association Chairman also requested to the government to postpone the setting of new minimum wages and to support the factory financially.



**Chairman and Secretary from UMFCCL and MGMA**





**Meeting Session**

Most of the factory owners requested to the government to release the statement of raw material shortages that factories are facing; factory only want to pay the compensation for 3 months and do not want to pay the bonus for the production and attendance, when the raw materials come to the port, they want the government to make the process to be faster, want the government to corporate with NGO and INGO to solve these problems , want Social Security Board to take an action. Myanmar Chinese Textile and Garment Association also explained about the short term and long term challenges. U Myint Soe (MGMA) also requested Social Security Board to do something for the workers. Representatives from Hluttaw also said that 'they will summit these problems to the government suggested that workers and owners also need to help each other'. U Zaw Min Win (UMFCCI) said 'I believe we can overcome these problems' and gave grateful speech to the participants.



# Legal Statement

## **Layoffs and reduced labor force**

2020-03-04

COVID 19, which based from China have become the epidemic disease to the worldwide. In China, the New Year holiday has extended to the long holiday due to that epidemic disease. After the extended long holiday, the business and transportation are still going slowly in regenerating the business due to the worriedness of people and control process of the epidemic disease.

Myanmar 'manufacturing factories import most of the raw material from China. Garment sector is also one of that. For Garment sector, 90% of raw materials imports are from China.

Garment factories are facing the shortages of raw material because of the COVID 19. Most of the factories only have the raw material until the end of March and they are reducing the production by cutting overtime and closing all day on Saturday.

When there is shut down and temporarily closed factories due to the shortages of raw material, the owner of factories worry about 'what should they do for the layoff workers'. There are not only discussions among businesspersons but also the tripartite discussion of government, owner and worker.

In Myanmar Labor Law, the process of dismissed and termination of employment is governed by Employment Contract and in Notification No. 84/2015. In Employment Contract, compensation fees for shutting down or temporarily shut down of factory and reducing labor force are enacted in Notification No. 84/2015 of Ministry of Labor, Immigration and Population.

In Notification No. 84/2015, the law has set that owner have pay to the workers with service to the following severance pay according to the last salary (no overtime).

<b>Service</b>	<b>Severance Pay</b>
6 months – 1 year	0.5 salary
1 – 2 years	1 month salary
2 – 3 years	1.5 months salary
3 - 4 years	3 months salary
4 – 6 years	Four months salary
6 – 8 years	Five months salary
8 – 10 years	Six months salary
10 – 20 years	Eight months salary
20 – 25 years	Ten months salary
25 years above	Thirteen months salary

Shortage of raw material make the factory temporarily closed or shut down is not an ordinary occasion due to the consequences of COVID 19. The business community has said that if the compensation for ordinary case of factory shut down and reduced labor force has to be involved for the case of shut down of factory due to the shortages of raw material, the employer will be harmed.

Therefore, the businesspersons suggest that the government should step in to take a measure, for example, issue a notification for unpaid leave due the consequences of COVID 19, shortages of raw material.



ပြည်ထောင်စုသမ္မတမြန်မာနိုင်ငံတော်အစိုးရ  
 အလုပ်သမား၊ အလုပ်အကိုင်နှင့် လူမှုဖူလုံရေးဝန်ကြီးဌာန  
 ဝန်ကြီးရုံး

အမိန့်ကြော်ငြာစာအမှတ် ( ၈၇/၂၀၁၅ )

နေပြည်တော် ၁၃၇၇ ခုနှစ်၊ ပထမဝါဆိုလပြည့်ကျော် ၂ ရက်  
 ( ၂၀၁၅ ခုနှစ်၊ ဇူလိုင်လ ၃ ရက် )

အလုပ်သမား၊ အလုပ်အကိုင်နှင့် လူမှုဖူလုံရေးဝန်ကြီးဌာန၊ ပြည်ထောင်စုဝန်ကြီး သည် အလုပ်  
 သမားရေးရာအငြင်းပွားမှု ဖြေရှင်းရေးဥပဒေ ပုဒ်မ ၅၉ ပုဒ်မခွဲ (၁) နှင့် အလုပ်အကိုင်နှင့်  
 ကျွမ်းကျင်မှု ဖွံ့ဖြိုးတိုးတက်ရေးဥပဒေ ပုဒ်မ ၄၁ ပုဒ်မခွဲ (၁) တို့အရ အပ်နှံထားသော လုပ်ပိုင်ခွင့်  
 များကို ကျင့်သုံးလျက် အလုပ်မှ ရပ်စဲခဲ့ရသော အလုပ်သမားနှင့်ပတ်သက်၍ အလုပ်ရှင် က  
 ပေးရမည့် နစ်နာကြေးနှုန်းထားများကို သတ်မှတ်လိုက်သည်။

နစ်နာကြေးနှုန်းထားများ

အလုပ်ရှင်သည် အလုပ်သမား သို့မဟုတ် အလုပ်သမားများအား အလုပ်မှ ရပ်စဲခြင်းဆိုင်ရာ  
 ကိစ္စရပ်များနှင့်စပ်လျဉ်း၍ တစ်ဆက်တည်း လုပ်သက်ရှိသူများအတွက် နောက်ဆုံးထုတ် လစာ  
 (အချိန်ပိုကြေးမပါ) ဖြင့် တောက်ဖော်ပြပါ နစ်နာကြေးနှုန်းထားများ အတိုင်း ပေးရမည်-

- (က) လုပ်သက် ခြောက်လ ပြည့်ပြီး တစ်နှစ် မပြည့်ပါက နစ်နာကြေး လစာ လစာ
- (ခ) လုပ်သက် တစ်နှစ်ပြည့်ပြီး နှစ်နှစ် မပြည့်ပါက နစ်နာကြေး တစ်လစာ
- (ဂ) လုပ်သက် နှစ်နှစ်ပြည့်ပြီး သုံးနှစ် မပြည့်ပါက နစ်နာကြေး တစ်လခွဲ လစာ
- (ဃ) လုပ်သက် သုံးနှစ်ပြည့်ပြီး လေးနှစ် မပြည့်ပါက နစ်နာကြေး သုံးလစာ
- (င) လုပ်သက် လေးနှစ်ပြည့်ပြီး ခြောက်နှစ် မပြည့်ပါက နစ်နာကြေး လေးလစာ
- (စ) လုပ်သက် ခြောက်နှစ်ပြည့်ပြီး ခုနစ်နှစ် မပြည့်ပါက နစ်နာကြေး ငါးလစာ
- (ဆ) လုပ်သက် ခုနစ်နှစ်ပြည့်ပြီး တစ်ဆယ်နှစ် မပြည့်ပါက နစ်နာကြေး ခြောက်လစာ
- (ဇ) လုပ်သက် တစ်ဆယ်နှစ်ပြည့်ပြီး ၂၀ နှစ် မပြည့်ပါက နစ်နာကြေး ခုနစ်လစာ
- (ဈ) လုပ်သက် ၂၀ နှစ်ပြည့်ပြီး နှင့် ၂၅ နှစ် မပြည့်ပါက နစ်နာကြေး တစ်ဆယ်လစာ
- (ည) လုပ်သက် ၂၅ နှစ် နှင့်အထက် ရှိပါက နစ်နာကြေး ၁၃လစာ

ဦးအေးမြင့်  
 ပြည်ထောင်စုဝန်ကြီး

စာအမှတ်၊ ၇၀-စာလ/ခွဲ(၁)(၃၄/၁၁)( ၆၇.၄၁ )  
 ရက်စွဲ ၂၀၁၅ ခုနှစ်၊ ဇူလိုင် လ ၃ ရက်



## UPCOMING ACTIVITIES

### Upcoming Event

Sr.	Title	Date	Place
1.	MGMA 3 <sup>rd</sup> Members' Day	tbc.....	tbc.....
2.	Anniversary of MGHRDC	tbc.....	MGHRDC
3.	Environmental Management Plan & Stakeholders meeting	tbc.....	MGHRDC

### Training

Sr.	Title	Date	Place
1.	Forming and Functioning WCC	14 <sup>th</sup> March 2020, 1:30PM to 4:30PM	1 <sup>st</sup> Floor, Dakkhina Building, Insein GTI Compound.
2.	Characteristic of Labor Disputes	21 <sup>st</sup> March 2020, 1:30PM to 4:30PM	1 <sup>st</sup> Floor, Dakkhina Building, Insein GTI Compound.
3.	Human Resources Management	11 <sup>th</sup> – 13 <sup>th</sup> March 2020, 9AM to 5PM	1 <sup>st</sup> Floor, Dakkhina Building, Insein GTI Compound.

### NEW MEMBERS IN FEBRUARY 2020

Number of New Factories in February 2020	
Country	No. of Factories
China	2
Thailand	1
Malaysia	1
<b>TOTAL</b>	<b>4</b>

### MEMBERSHIP UPDATE AS OF 2020-02-31

Status	Country	No. of Factories
Active CMP	Myanmar	90
	Chinese	271
	Korea	67
	Japan	21
	Others	34
<b>TOTAL (Active) CMP</b>		<b>483</b>

### Membership Data Update (February)

	Investment Type	No. of Factories
CMP	Foreign Company	510
	Myanmar Company	
	JV	
Others		77
<b>Total</b>		<b>587</b>