#### Index

### Activities

| License Recommendation During the Public Holidays                 | 2 |
|---|---|
| License Recommendation Online System Meeting                      | 2 |
| MGMA Staff Members' Workshop                                      | 3 |
| MGMA EC Meeting   | 3 |
| Korea Garment Association in Myanmar Donates Oxygen Concentrators | 4 |
| Continue Assisting the Workers' Salary Cash Withdrawal            | 4 |

#### News

| Social Security Contribution can be Deferred 6 Months          | 5 |
|--|---|
| Finished Good Exports Drop and CMP Raw Material Imports Plunge | 6 |
| COVID-19 Delta Variant Awareness Poster                        | 7 |
| Employers' Package Trainings to Resume                         | 8 |

# **Up Coming Events**

| <i>No</i> . | Description                             | Date & Time     | Venue         |
|-------------|---|-----------------|---------------|
| 1           | Official Launch of MGMA Resource Centre |                 |               |
| 2           | Garment Stakeholder Forum               | October         | Virtual, Zoom |
| 3           | Employers' Package Trainings            | Sep-Dec, 1-4 PM | Virtual, Zoom |

# **Membership Updates**

| New Members in Aug 2021          | 8 |
|----------------------------------|---|
| Membership Update as of Aug 2021 | 8 |

## Activities

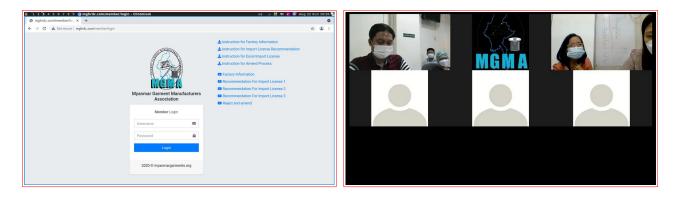
#### **License Recommendation During the Public Holidays**

Myanmar Garment Manufacturers Association (MGMA) has been able to do services for license recommendations during the public holidays starting from mid July announced for COVID-19 Prevention and Control. The factories and workplaces had to stop their operations from 17<sup>th</sup> to 25<sup>th</sup> July and have been reopening since 26<sup>th</sup> July. MGMA issued 1277 import license recommendations from 26<sup>th</sup> July to 31<sup>st</sup> Aug. Moreover, the association issued other kinds of recommendation such as the recommendation Country of Origin (CO) and Amendment as required by the member factories.

The application of import license recommendation is split into two types of "Normal" and "Express" so that it is more convenient for those who want the license normally and urgently. The import license recommendation is issued within 2 days (48 hours) for "Normal" application. In "Express" application, the import license recommendation is issued in the evening on the same day of the application which was submitted before twelve noon (12:00PM) and before noon on the next day of the application which was submitted afternoon yesterday. Other kinds of recommendation are issued as required by the member factories.



#### License Recommendation Online System Meeting

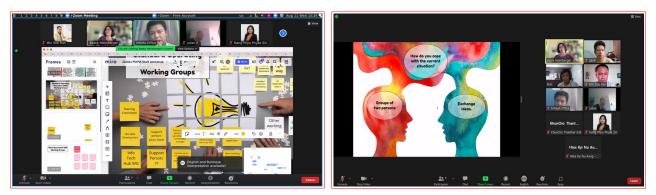


There was a meeting conducted by virtual online system between the responsible persons from Ministry of Commerce (MoC) and MGMA on Aug 18. The meeting was attended by the responsible persons from the import/export and policy divisions of Nay Pyi Taw MoC Office, the technology and policy divisions of MOC Yangon Office, MGMA Joint Secretary U Sai Maung, office-in-charge Daw Htee Kyi Nu Aung and three developers who are working on technical issue of the online system. In the meeting, to add and send the data of "Commodity Type" which was not mandatory before, and to complete the pilot test by August were discussed.

The current capability of the license recommendation online system is only 80% working, the end user (from factory side) is not effected though because MGMA is running manually for some parts of the process unavailable online. Therefore, MGMA is fixing the online system for 100% working so that the end users' experience is more convenient.

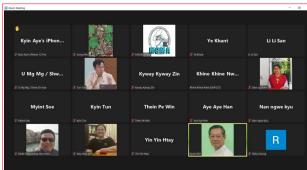
#### MGMA Staff Members' Workshop

MGMA staff members' workshop, with the support of Foreign Trade Association of German Retailers (AVE), was conducted on 11<sup>th</sup> Aug by online virtual system for discussion of work completions and challenges during Work From Home system. The current situations and activities of the working groups were discussed during the workshop.



MGMA Staff Member Workshop

MGMA Staff Member Workshop



#### **MGMA EC Meeting**

MGMA's monthly EC Meeting for August was conducted on August 21<sup>st</sup>. Induction of the new members of Executive Committee who were elected in the last Executive Committee Member Election held on 15 July was formally conducted and the association's policy, stand and current projects are introduced and explained to the new members of EC. And, to resume the trainings such as Industrial Relations (IR), Industrial Eng-

ineering (IE) and collaboration of COVID-19 vaccination in the garment factories were discussed in the MGMA EC Meeting.

#### Korea Garment Association in Myanmar Donates Oxygen Concentrators



Myanmar Garment Manufacturers Association (MGMA)'s brother association, Korea Garment Association in Myanmar (KOGAM) donated five oxygen concentrators worth 8,500,000/- MMK to Insein General Hospital on 24-08-2021 (Tuesday). MGMA linked and assisted the parties in order that the donation is successfully completed. The responsible doctors from Insein General Hospital received the donation and gave back the certificate of honour.



#### **Continue Assisting the Workers' Salary Cash Withdrawal**

MGMA continues assisting the member factories with withdrawing cash of workers' salary from the banks in coordination with One-Stop-Service (OSS). The member factories can send the company's information by email to <u>managingdirector@myanmargarments.org</u>. MGMA will assist for collecting data and flowing up the information. However, the member factories will be required to contact directly OSS for document checks. The member factory can send the documents by email to OSS at oss.fgllid.ygn@gmail.com and will need to CC the followings; <u>admin@umfcci.com.mm</u> and <u>managingdirector@myanmargarments.org</u>.

## Social Security Contribution can be Deferred 6 Months



To alleviate the adversities of the manufacturing business persons and continue their business operations, the Ministry of Labour gave fine exemption for up to 6 months late payment of Social Security contributions for SSB registered workers starting from the month of 5/2021, by the Notification No. 341/2021 issued on 6-8-2021. In regard to this exemption, Social Security Board continuously announced the following points to follow by the letter No. 0620/1/ssb(insurance)2021 (6050) dated as 16-8-2021.

- (a) Employers must ensure the SSB contribution of the ssb registered workers for the month of 4/2021 has already been paid.
- (b) As the exemption is intended for the better cash flow and regular business operation of the business persons, if the business has financial capacity, it is requested to pay the contribution regularly for relevant month.
- (c) If the deduction for contribution from the workers' salary has been made, to pay the contribution from the workers' side and to pay the contribution from the employer's side not later than 6 months.
- (d) As the benefits of the Social Security Law and Rules are available only if the terms and conditions are met, to send the monthly account record of contribution payment for the SSB registered workers (Form-13/Contribution Excel File) and submit the application for late payment not later than 6 months, within 15 days after relevant month finished.
- (e) To pay the contribution payment without failure not later than 6 months, as in the contribution payment account (From-13/Contribution Excel File) sent monthly. Eg. the contribution payment for the month of 5/2021 must be paid by 30-11-2021 and for the month of 6/2021 must be paid by 31-12-2021.
- (f) To inform the updates monthly in accordance with the section 42(c) and 43 of the 2012 Social Security Rules within 10 days, when the business employs new worker, transfers worker, get worker's resignation, pension and death.

(g) The employer is to pay compensations in accordance with the section 69 of the 2012 Social Security Law so the worker will not lose the benefits available, if the employer failed to inform the matters mentioned in the above paragraphs (d) and (f).

By the following the points above without any failure during 6 months of the fine exemption, the workers will enjoy the benefits as in normal time. And also the businesses are requested to pay the contribution payment regularly or as soon as possible within 6 months without deferring.

The points to follow in regard to the fine exemption for up to 6 months late payment of Social Security contributions for SSB registered workers starting from the month of 5/2021, by the Notification No. 341/2021, are shared for your information.

#### Finished Good Exports Drop and CMP Raw Material Imports Plunge



As the manufacturing sector is suffering from the current situations of turmoils in various fields, the finished good exports of the garment industry is also dropping significantly down. The garment export via sea trade got only USD\$ 871 million within 3 months of the budget year 2020-2021. It is 25% drop against the same period of the last year, reported by Eleven Media Group at <u>https://news-eleven.com/article/213476</u> on its news website referring to the Ministry of Planning and Finance.

Moreover, The Global New Light of Myanmar, the newspaper in English reported that the imports of raw materials by the CMP (Cutting-Making-Packaging) businesses have sunk to US\$ 1.24 billion as of 23 July in current financial year 2020-2021 since October 2020.

#### 11 AUGUST 2021 THE GLOBAL NEW LIGHT OF MYANMAR

#### LOCAL BUSINESS 7

# Raw materials import by CMP businesses plunge into \$1.2 bln nearly ten months

IMPORTS of raw materials by CMP (cut-make-pack) businesses have sunk to US\$1.24 billion as of 23 July in current financial year 2020-2021 since October 2020, which reflects a decrease of \$558.26 million compared with the year-ago period, according to the Ministry of Commerce.

The figures plunged from \$1.79 billion registered last FY2019-2020, the Commerce Ministry's data indicated.

Myanmar's garment exports witnessed a decline of over 20 per cent in the past eight months (Oct-May) of the current financial year 2020-2021 compared with a-year ago period on the back of slump in demand by European Union market. The raw materials import by the CMP businesses fell simultaneously, the Ministry of Commerce stated.

Exports of garments manufactured under the cut-makepack (CMP) system were valued at US\$2.2 billion between 1 October and 28 May in the current FY, according to data from the Ministry of Commerce.

The figures plunged from \$2.7 billion in the corresponding period of last FY 2019-2020.

The garment industry is facing cancellation of order and slump in output, new orders. However, The Swedish fashion retailer H&M is gradually placing orders from Myanmar again after it paused in March. Then, more international fashion retailers such as Primark and Bestseller start to resume new orders. Additionally, Germany will also continue its support for Myanmar garment businesses so that Myanmar women can continue their livings, Germany Embassy Yangon's Facebook posted, Nonetheless, the COVID-19 infections are spiking in the country and all



Photo shows daily work process at garment factory through CMP system.

the CMP factories are temporarily closed down during the official public holidays (17-25 July).

The garment sector is among the prioritized sectors driving up exports. The CMP garment industry emerged as a promising one, with preferential trade from Western countries. Nevertheless, we cannot still expect normalcy for now due to the possible disruption in logistics and supply sector and other serious consequences amid the COVID-19 impacts, traders stressed.

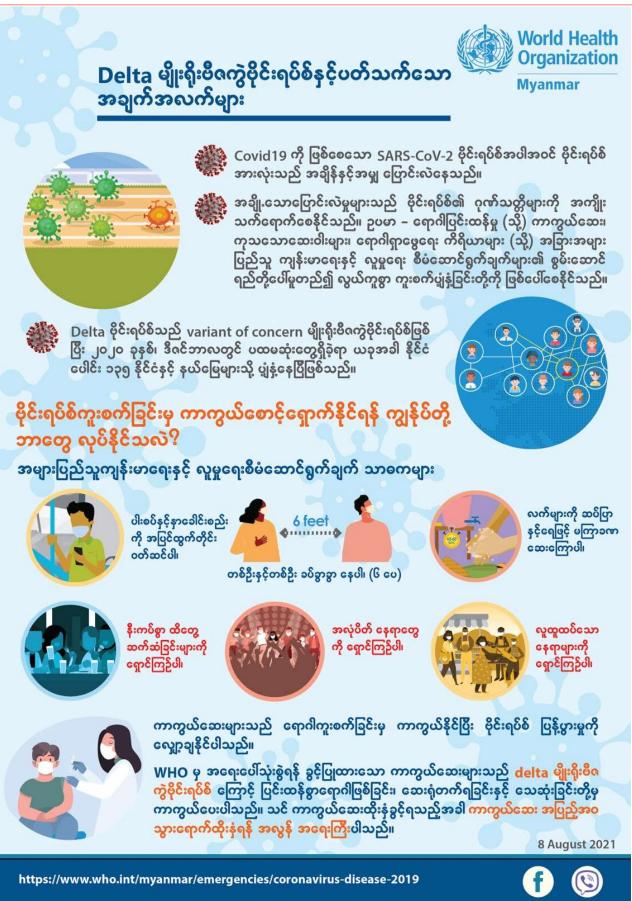
Myanmar's manufacturing

sector is largely concentrated in garment and textiles produced on the Cutting, Making, and Packaging basis, and it contributes to the country's GDP to a certain extent.

Myanmar mainly exports CMP garments to markets in Japan and Europe, along with the Republic of Korea, China, and the US.

The export value of CMP garments was only \$850 million in the 2015-2016 FY, but it has tripled over the past two FYs. In the 2016-2017 FY, about \$2 billion was earned from exports of CMP garments. The figure increased to an estimated \$2.5 billion in the 2017-2018 FY and \$2.2 billion in the 2018 mini-budget period (from April to September). It tremendously grew to \$4.6 billion in the 2018-2019 FY and \$4.8 billion in the 2019-2020 FY, according to the Commerce Ministry.-Htet Myat/GNLM

#### **COVID-19 Delta Variant Awareness Poster**



# Employers' Package သင်တန်းများ ပြန်လည်စတင်မည်

Employers' Package Trainings, which had been suspended, will resume. The trainings are going to be delivered by online virtual system using Zoom application as follows;

| No. | Training Title                        | Date                      | Time             |
|-----|---------------------------------------|---------------------------|------------------|
| 1   | Introduction to Applied Labour Law    | 15 <sup>th</sup> Sep 2021 | 01:30 - 04:00 PM |
| 2   | Employment and Orientation            | 22 <sup>nd</sup> Sep 2021 | 01:30 - 04:00 PM |
| 3   | Employment Contract & Workplace Rules | 13 <sup>th</sup> Oct 2021 | 01:30 - 04:00 PM |
| 4   | Payment of Wages and Variable Pay     | 27 <sup>th</sup> Oct 2021 | 01:30 - 04:00 PM |
| 5   | Leaves & Holidays                     | 10 <sup>th</sup> Nov 2021 | 01:30 - 04:00 PM |
| 6   | Social Security                       | 24 <sup>th</sup> Nov 2021 | 01:30 - 04:00 PM |
| 7   | Settlement of Labour Dispute          | 8 <sup>th</sup> Dec 2021  | 01:30 - 04:00 PM |
| 8   | Labour Organization                   | 15 <sup>th</sup> Dec 2021 | 01:30 - 04:00 PM |

# **Up Coming Events**

| No. | Description                                | Date & Time     | Venue         |
|-----|--|-----------------|---------------|
| 1.  | 1. Official Launch of MGMA Resource Centre |                 |               |
| 2.  | Garment Stakeholder Forum                  | October         | Virtual, Zoom |
| 3.  | Employers' Package Trainings               | Sep-Dec, 1-4 PM | Virtual, Zoom |

# **Membership Updates**

|                                       | NEW MEMBERS in July 2021 |  |
|---------------------------------------|--------------------------|--|
| Number of New Factories in July, 2021 |                          |  |
| Country                               | No. of Factories         |  |
| Myanmar                               |                          |  |
| Total                                 |                          |  |

#### MEMBERSHIP UPDATE AS OF JULY 2021

| Status                    | Country       | No. of Factories |
|---------------------------|---------------|------------------|
|                           | Myanmar       | 64               |
|                           | China         | 261              |
| Active                    | Korea         | 56               |
|                           | Japan         | 17               |
|                           | Others        | 24               |
|                           | Joint Venture | 26               |
| Active (Local, Sub-Con, M | 42            |                  |
| Total (                   | 490           |                  |
| Grand Total               |               | 742              |