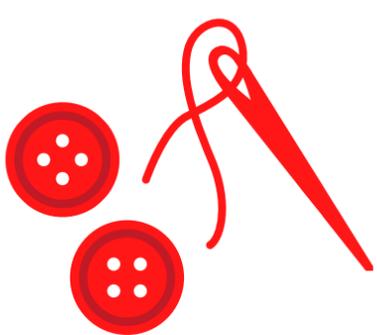


FACTORY MAPPING



OUTLOOK OF MYANMAR RMG INDUSTRY UNDER MARTIAL LAW



This infographic provides brief an outlook of RMG industry in industrial zones located in townships subjected to the Martial Law. The information is based on the data collected at 60 factories in Hlaing Thar Yar, Shwe Pyi Thar, Mingaladon, Thanlyin , South Dagon and Mandalay

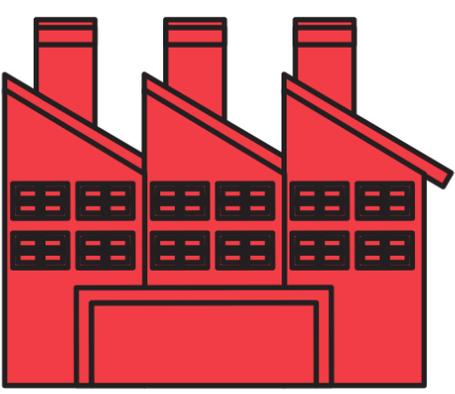
Industrial Zones in Yangon



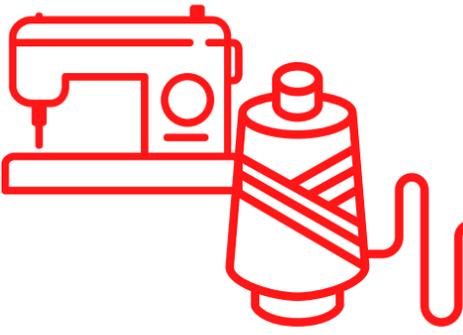
The military junta, on March 15, declared martial law in 11 townships across Yangon and Mandalay. In Yangon, the martial law was declared in Hlaing Thar Yar, Shwe Pyi Thar, South Dagon, North Dagon, Dagon Seikkan and North Okklapa. All are townships where the industrial zones are located. Essentially, by declaring the martial law, the State Administration Council (SAC) transferred the executive and judiciary power to the regional military commander.



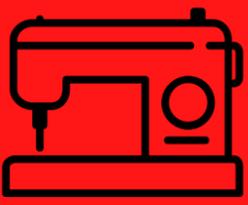
A military tribunal was formed to try any offenses committed during the martial law. The offenses include treason, sedition, obstructing military property, incitement, spreading rumors/false news, possession of weapons, ties to unlawful associations, homicide and robbery. Punishments sentenced by the military tribunal are death sentence, prison sentence with hard labour and unlimited years and highest punishment for designated crimes committed. The defendant cannot appeal for decision handed down by the tribunal.



A number of factories, mostly Chinese-invested, were set ablaze on March 14. Some suspended their operation and some shutdown with assets up for auction. Some are still operating with small number of workers.



This infographic note serves as an introduction to further discuss future of RMG industry in Myanmar and workers' rights protection under military junta. Role of trade unions and zero engagement with military government are emphasized in points of discussion.



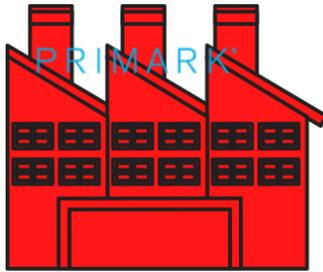
Factories Set Ablaze



9 factories were set ablaze in Hlaing Thar Yar and Shwe Pyi Thar affecting 28550 workers



Solarmolar, Shwe Pyi Thar employing 2500 workers



Timbermar, Hlaing Thar Yar, employing 3000 workers



Suntime JCK, Shwe Pyi Thar, employing 2500 workers



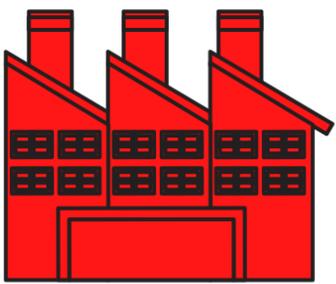
Tsang Yih, Hlaing Thar Yar, employing 9000 workers



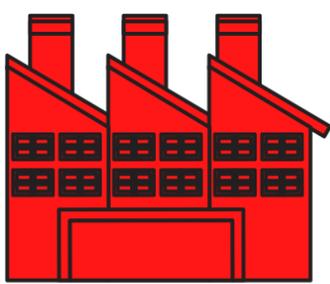
Gtig Hubo, Shwe Pyi Thar, employing 3000 workers



Giti Huangsheng, Shwe Pyi Thar, employing 1500 workers



Global Fashion, Hlaing Thar Yar, supplier of "Accolade" and other undisclosed brands, employing 6000 workers



Winco, Shwe Pyi Thar, bed factory employing 150 workers



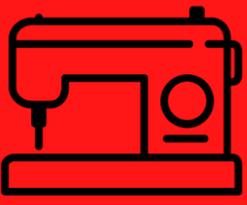
Honor, Shwe Pyi Thar, employing 2500 workers.



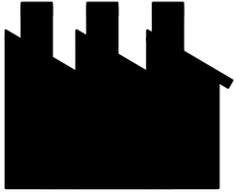
On May 18, Global Fashion issued a statement that the factory would pay 40 percent of wages as social security support for all workers who lost their jobs.

The payment was made on 26 and 27 May from 8 am to 12 pm, 13 pm to 15 pm.

The factory workers had to come in person and show their ID card, employment card and social security card



Permanent Shutdown



Total number of factories permanently shut down their operation in this mapping is 16 affecting around 17000 workers

Factories up for auction with proceeds from sales set to compensate workers : 2

6 factories paid compensation and/or severance payment according to labour law

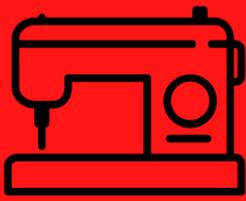
Factories with unknown information on compensation :4

4 factories did not pay compensation

Estimated number of factories permanently shutdown within 2021 is 150, in which 130 are Myanmar Garment Manufacturers Association affecting more than 200000 workers

*Unnamed labor expert speaking to a local media, Mizzima on 20 June 2021



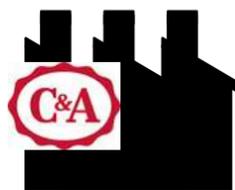


Factories Shut Down



Unitedtex Overseas producing jackets and coats, Hlaing Thar Yar, employing 700 workers.

The factory was shut down on 24 April. Compensation was paid according to labour law



Sumec Win Win, Shwe Pyi Thar, unit of China based Sumec Textile & Light Industry, employing 2000 workers.



Jab Jawal, Hlaing Thar Yar, employing 700 workers. The factory was shut down on 10 April.

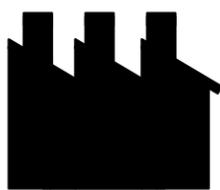
Compensation was paid according to labour law



Dongyu Garment, Hlaing Thar Yar, employing 1000 workers.

It was shut down on 12 April.

Compensation was paid according to labour law



Atten Htet Alon, Shwe Pyi Thar, employing 1400 workers.

It was shut down on 15 March.

No compensation was paid.



Tri State, Mingaladon, employing 1400 workers.

It was shut down on 10 April.

Compensation was paid according to labour law.

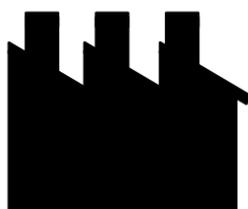


Tian Jin Fashion, Hlaing Thar Yar, employing 600 workers. On May 3, after Burmese New Year, the employer abandoned the factory leaving the workers uncompensated.



Liho Carton Box, Hlaing Thar Yar. Only 26 workers left working at the factory. It was closed down on 15 March.

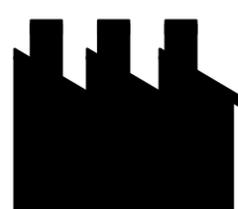
No compensation was paid.



Tai Yi, shoe factory, Hlaing Thar Yar, employing around 700 workers.

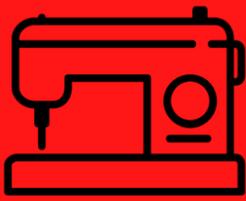
It was shut down on 24 March.

All workers were dismissed within one month. Severance payment was paid according to working period.



Golden Fashion, Shwe Pyi Tar, employing 400 workers.

On 8 May, the employer fled the country. The factory was up for auction with proceeds from the sales set to compensate workers.



Factories Shut Down



Amber Stone, Hlaing Thar Yar, employing 166 workers. Factory was shutdown on 31 May. Compensation was paid according to the law on 16 June



Heng Mao, Hlaing Thar Yar employing around 200 workers. The factory was closed on 19 June



High Fashion, Hlaing Thar Yar, employing 900 workers. The factory was closed end of May



Kanaan International, Shwe Pyi Thar employing 1000 workers, closed on 8 June

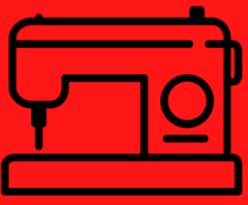


Unique HTT, Shwe Lin Ban, Hlaing Thar Yar employing 1000 workers. It was closed in February. The workers are uncompensated despite of company's commitment to compensate the workers once banking sector resuming its operation

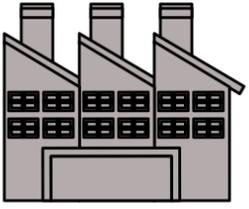


Case Study

GAT, pre Covid 19, was supplier of C&A, Esprit etc, employing around 6000 workers. During the pandemic, it shifted to produce mask and online clothing retails. The factory suspended its production on 5 March - 1 May, paying workers with 40 % wages during suspension. This was due to negotiation and agreement reached between trade union and management. In May, the factory was up for auction with proceeds from the sales set to compensate workers.



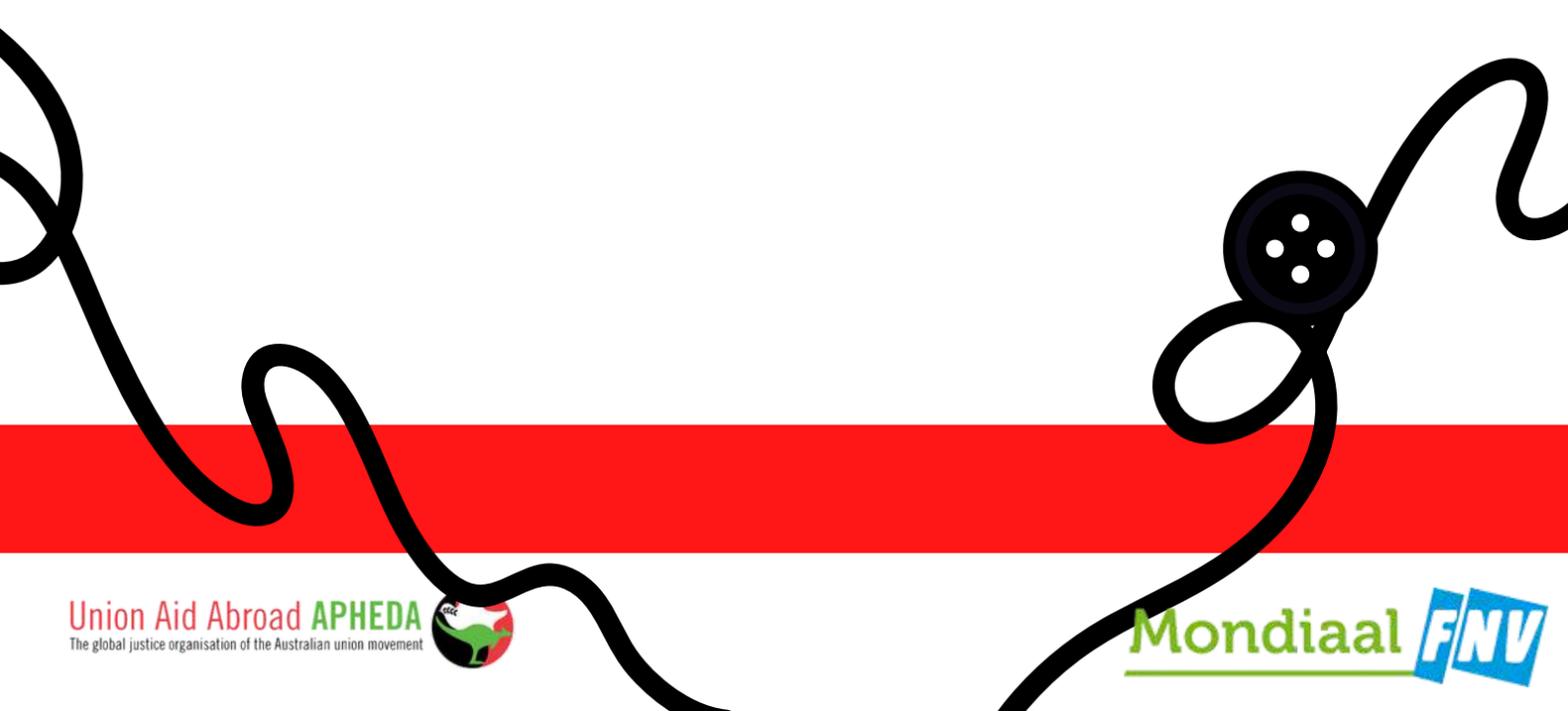
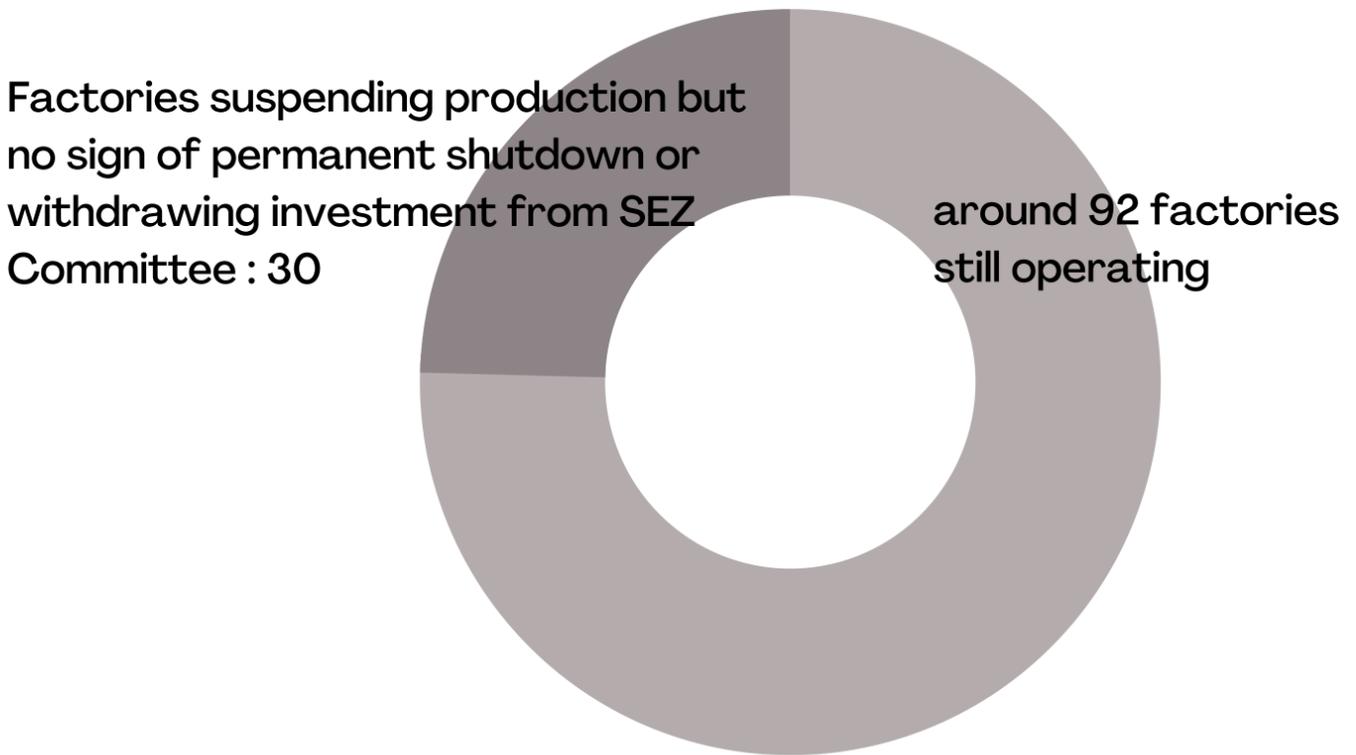
Factories Suspending Production

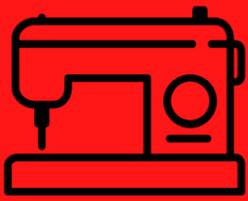


Total number of factories suspended their production in this mapping is 21 affecting around 22500 workers



General situation of production suspension in the operational Thilawa Special Economic Zone (SEZ)





Factories Suspending Production



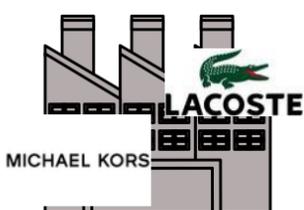
Thong Thai 1 & 2, Hlaing Thar Yar only around 600 workers remain, suspended their production on 15 March. The production would be resumed within June. No compensation was paid during the shut down



Sheng Mei, Shwe Pji Thar, employing 800 workers. It was announced temporarily closed down on 5 April. Date or month of resumption was not announced. March salary payment was made. No compensation was paid.



Vent D'est, Shwe Pji Thar, employing 1200 workers. It was temporarily shut down on 11 March. Production was resumed in May. No compensation paid.



EMC Manufacturing, Mingaladon, employing 6000 workers. The production was suspended on 2 April. Production will be resumed by end of September. March and April wages were paid. During suspension period of June-September, workers will be paid 60000 MMK/month



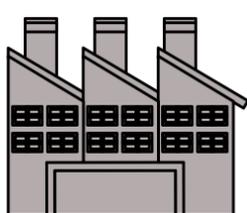
Dongyi, Shwe Pji Thar, employing 1300 workers. The production was suspended on 14 May for a month.



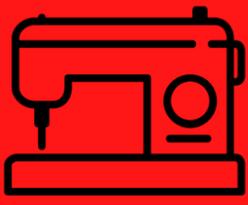
Myanmar Pada, Hlaing Thar Yar (Tier 2 of NEXT supplier), now only employing 94 workers. The factory has suspended the production since 1 May. It will resume its production in August. Workers are paid 85000 (60 percent of minimum wage)



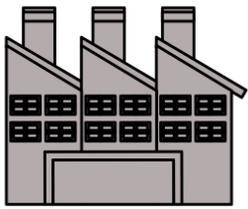
Golden Precise Embroidery and Garment, member of Fair Wear Foundation (FWF).



All Lin, Hlaing Thar Yar, employing 3000 workers. The production was suspended on 5 April and would be resumed in August. April minimum wage was paid



Factories Suspending Production



Gold Yacht Garment, Hlaing Thar Yar, suspended its production from 15 March to 1 August.



Pak Chun, Hlaing Thar Yar employing 1000 workers, suspended its production on 20 May and would be resumed on 20 July



Tong Yi HK, Hmawbi, Shwe Pyi Thar employing 600 workers suspended its production on 20 May and would be resumed on 1 August-Workers considered taking unpaid leave



SH Garment, Hlaing Thar Yar, employing around 500 workers , suspended its production on 19 June and would be resumed on 20 August. The workers are paid with 150000 MMK wages/month



Dong Ye, Hlaing Thar Yar employing 1200 workers; suspended its production



Leader One, employing around 1000 workers. Further investigation needed to assess workers rights protection in the zone under military junta



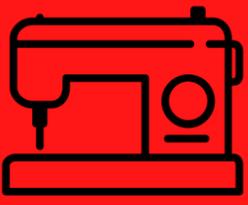
Shwe Sakar, member of FWF workers are not allowed to take leave. Those taking leave, when resumed to work, demoted as a helper.



Luthai Textile, supplier of Lindbergh men's clothing, employing 1200 workers



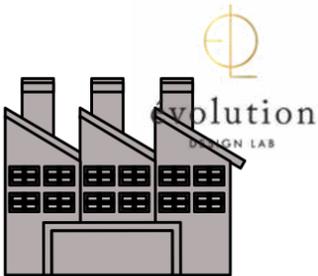
Loadstar, supplier of Inditex, employing 500 workers, suspended its operation on 30 April for four months. The employer has not announced production resumption. The workers were uncompensated during suspension. MICS-TUsF set up a workplace level union at Loadstar in March 2020



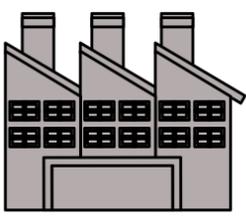
Factories Suspending Production



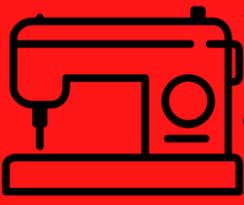
Harvey Handbag, supplier of H&M, in Hlaing Thar Yar, employing 2000 workers, suspended its production on July 1 due to shortage of material. Full salary of last production month, seniority bonus, full service bonus and monthly meal allowance (144000 MMK) to be paid on July 9.



Mandalay Long Year Shoe Co.Ltd, supplier of Evolution Design Lab and Coppel Corp (US Market), in Ngar Zon, Mandalay employing 500 workers suspended its production in July 2021. The workers are still waiting for compensation.



Sein Kabar Textile, producing exported fabric and yarn, Mandalay Industrial Zone, employing 500 workers. The workers are unionized and fighting for proper compensation during suspension



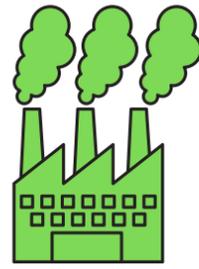
Working condition and issues at factories that are still operational



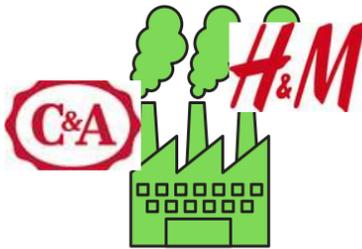
Hlaing Thar Yar and Shwe Pyi Thar



Gaiwach Myanmar Garment downsized its workforces to 38. No compensation paid



Popular Garment, supplier of military uniform, Fechheimer, employing 500 workers. The production is still stable. The workers still receive full minimum wage



Hige Fashion Accessories, employing less than 500 workers. The workers are trying to organize and seeking for assistance from labour rights organization



Case Study of Organizing and Advocacy

E-Lan, subsidiary of Unilever, employing 250 workers. Regular dialog with workplace coordination committee still takes place. 1400 MMK wage increase. Safe shelter for workers is provided



Case Study of Organizing and Advocacy

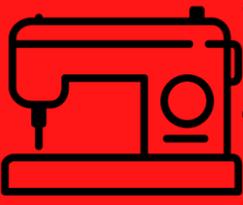
GY Sen, Shwe Pyi Thar, employing around 1000 workers. On March 13, it was accused of locking in the workers preventing them to join CDM. On April 5, the manager had a dialog with ALR and STUM resulting the reinstatement of 216 workers. The second dialog, observed by Primark representative, took place in early May responding the rumor of potential military intervention in the dispute. All dispute should be settled through workplace bipartite mechanism.



Case Study of Organizing and Advocacy

Pou Chen, Shwe Pyi Thar, initiated an audience with workers on April 12. The audience was intended to update workers regarding production sustainability. Pou Chen workers, assisted with ALR, formed a trade union by the end of April

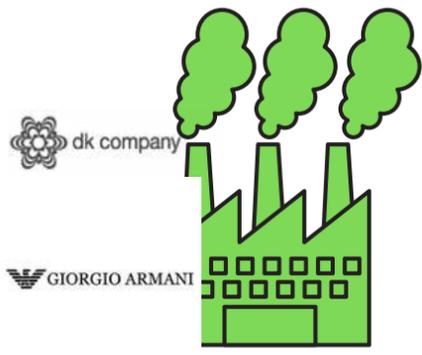




Working condition and issues at factories that are still operational



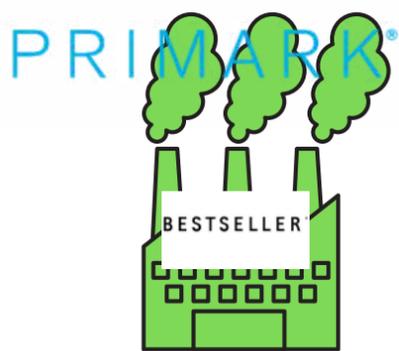
South and East Dagon



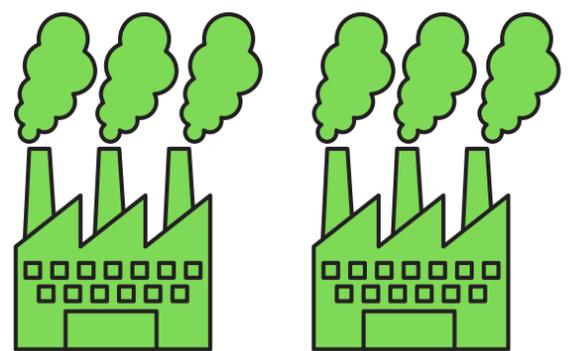
Dagon Talent, South Dagon, still operating with 600 workers. The management has issued a notice (without fixed date) that the factory would be shut down soon.



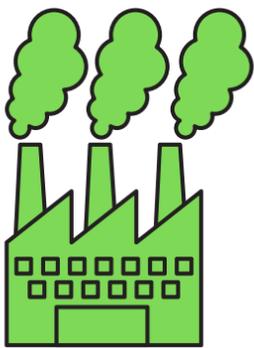
Vince Myanmar, South Dagon, still operating with 400 workers. The management has issued a notice (without fixed date) that the factory would be shut down soon.



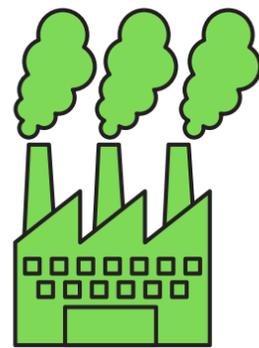
GEG, East Dagon. Before pandemic, it employed 7000 workers. Now, it employs less than 2000. The factory is still operating. The workers are paid 200000 MMK/month



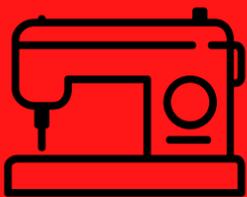
Arao Garment and Har Hae Myanmar, South Dagon. Total workers employed around 4800. Factories are operating and workers are paid with minimum wage.



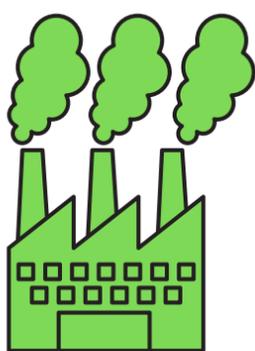
Woorie MJ, supplier of Ango Mode (Canadian brand-umbrella of other four brands) and Ernest Enterprise (MTL), employing 700 workers. MICS-TUsF was in the process of establishing workplace-level union in 2020. The factory allows WCC to function



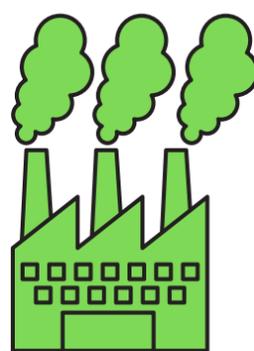
Y&S, fleece vest supplier for US market, employing 200 workers. Fully operating with 4800 MMK minimum wage paid to workers.



Working condition and issues at factories that are still operational

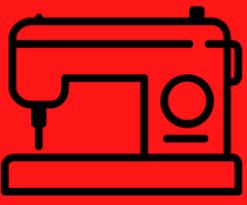


Sanyuan Oversea (Myanmar Apparel, part of Zhengjiang Sanyuan Holding, suppliers to EU Brands esp Maison 123 and Comptoir de Cottoners, employing 600 workers. Some are under probationary and paid sub minimum wage



Kyauk Sein Shoes still operating with 1000 workers without union and WCC





Notes from the ground...



Xing Jia is a shoe factory supplying for leather man boots exported to US. It is located on Plot 54, Hlaing Thar Yar Industrial Zone I. In September 2019, the workers launched a strike demanding better wages and working condition. This note depicts the killing and arrest taking place on March 16, 2021 after the martial law was declared

March 16

Xing Jia Massacre

After told by a supervisor that the employer would soon close the factory for three months. workers came to the factory to collect their 15-day wages and four-hour overtime. Three military trucks rushed in..and the workers were locked inside the factory. One woman worker dared to question the presence of military. A soldier slapped her.. she had a little big argument with the soldier...she was then shot to death on the spot..

Workers, terrified, started calling their families. Dine Su villagers, mostly workers' relatives and neighbors started gathering in front of the factory to free the workers trapped inside. The soldiers begun shooting spree...at least, based on information from witnesses, 6 people killed. Two bodies including the body of a woman workers were kept overnight inside the factory, while other four loaded to army truck. 10 people (workers and villagers) were detained overnight inside the factory. 8 people (3 workers and five villagers) were arrested. Five were released on the following days...

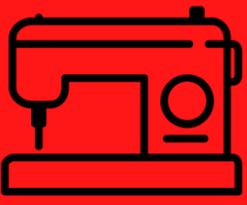
March 18

Families of three workers arrested got a phone call informing them that they were detained at Insein Prison. The family came to the prison on March 19 but were not allowed to meet the workers...an officer told them that their sons were taken away "for a while" to some place.

March 31

a police officer, showing some sympathy for workers, told an activist that Xing Jia management filed a case against the three workers to be charged with Penal Code 505 (B)





March 31

a police officer, showing some sympathy for workers, told an activist that Xing Jia management filed a case against the three workers to be charged with Penal Code 505 (B).

April 12

The three workers were tried and charged with Penal Code 505-A. They were sentenced to 3 year-prison.

Rui Ning (Myanmar) Garment is supplier of Bestseller. It is located on Plot 37 Ngwe Pin Lae Industrial Zone, Hlaing Thar Yar.

April 22

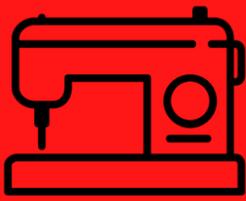
Rui Ning (Myanmar)
Garment

The supervisor told Rui Ning union leaders, who were on leave, to come to work. They were forced to go to work and threatened to be dismissed if they failed to show up. The union leaders then went to work at 12 PM. Around 1 PM, two military truck with 30 soldiers were deployed raiding the factory..the union leaders managed to escape through back door...Prior to the coup, the union at Rui Ning was very active in negotiating wage, sick leave and union recognition..

Important to be discussed further

(Allegation of) military-employers arrangement to ensure "stable" political climate for industry:

Access to justice and remedies for the workers/ victims given the casualties and violence often under-reported.



Referring to pinned case studies

Intensify bipartite negotiation and dispute settlement.
All at workplace level

Identifying factories that recognize trade unions and/or WCC for regular dialog and collective agreement...

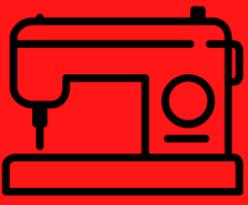
Direct audience between manager and workers/ union/WCC at factories to clarify production plan, directive orders issued by junta and update of safety issues

Checklist to discuss

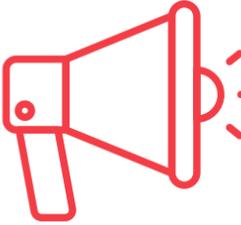
Commitment of private sector (brands, employer associations and suppliers) to ensure safe working environment

Practical guidelines applicable in all chain of custody regarding dispute settlement mechanism under circumstances that all unions do not want to engage with military initiated tripartite mechanism





Sourcing from country ruled by military junta



On 23 May, H&M, Best Seller, and Primark launched a plan to place new orders from factories in Myanmar. H&M argued that the business would serve as life support for hundreds thousands of garment workers. They also emphasized that the business has no ties with military. Employers are skeptical with this plan citing the logistic barriers causing raw material shortage. Many workers have fled industrial zones since the Martial Law declared by junta.

Industrial zones under Martial Law

After declaring Martial Law, the junta appointed new chiefs of "wards" (administrative area under "townships") and villages. The new ward chiefs in Hlaing Thar Yar ordered each dormitories (workers hostel) to pay 10000 MMK monthly fee. Surveillance over workers' mobility and dormitories has been started.

Military has paid visit to some companies encouraging employers to take photo of workers' activities and report any suspicious activities.

At least two military camps set up in Shwe Pyi Thar.

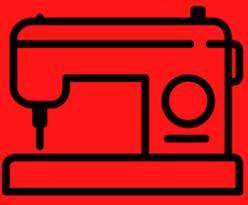
Midnight raids at union offices are rampant.

Extortion at streets at rampant including motorcycle robbery by soldiers on the daylight in streets. Women workers are very vulnerable to sexual harassment by soldiers deployed on the streets.

Since 2 May, the military has regularly inspected township labour office. This is to monitor trade unions and/or labor rights organizations that are still active in organizing and advocacy.

At least 52 people in North Okklapa, Hlaing Thar Yar and South Dagon have been sentenced to death by the military tribunal. Most of them were accused of plotting the murders of two police officers during the protest. This was intended to spread terror by displaying the unlimited power of military tribunal.





Sourcing from country ruled by military junta



Discussion with TUs and LROs

Quick respond from the brands representatives in responding grievances reported by TUs and LROs

Filing cases and unions registration at township labour offices (TLOs) are not safe. Thus all disputes must be settled at workplace level. Unions can be set up and recognized without having to be registered

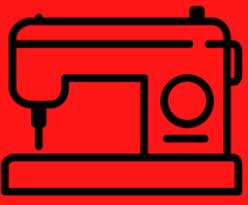
We need to monitor suppliers taking advantage of martial law. There are cases of employers threatening workers by informing the military if some mobilization or gathering taking place

The brands must be informed regarding this issue

Corruption is rampant that the employers often bribe labour office to escape from responsibility of settling compensation and dispute

Military keeps the list of workers participating in the CDM and used it to justify raids. In some cases the manager helped the workers to run but then dismissed them





Sourcing from country ruled by military junta



Discussion with AGT and Dutch Embassy in Myanmar

Some companies which are still operational encountered shipping issues. It is noted that some logistic companies have business ties with the military.

Sanctions do not touch Junta's business partners especially from the neighboring countries (Junta can still survive amidst sanction)

Banking system is not well functioned. K-Pay commonly used for money wiring is not working properly. Central Bank is under direct control of military

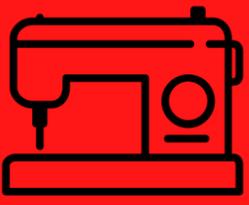
The brands need to prepare common messages regarding sourcing from countries like Myanmar
Taken into account is brands' reputation (if sourcing from country ruled by military junta)

How if brands want to continue the initiative of living wage ?

How to make sure that the brands have no ties with military along its supply chain?

Sourcing as a life support for workers but also open communication access for TUs and LROs, all in the context of restoring democracy





Sourcing from country ruled by military junta



Some follow ups plan from discussion with AGT

Guidelines of sourcing from Myanmar encompassing practical issues such as Workplace dialog Role of brands representatives etc

UN FFM report on Rakhine listing 170 companies including major private banks will be revisited.

Guidelines, should be expanded listing business such as shipping companies etc having ties with the military. All are in the context of business transparency and improvement of human rights due diligence

ACT framework on order suspension must be adopted and implemented

<https://actonlivingwages.com/where-we-work/myanmar/framework/>