

H. E. U Aye Myint
Minister for Labour Employment and Social Security
and Chair of National Committee on the Minimum Wage
Ministry of Labour
Building No. (51)
NayPyiTaw, Myanmar



14 July 2015

Dear Excellency,

We are writing to you on behalf of the undersigned member companies of the Fair Labor Association to raise concerns regarding lobbying by employers associations on garment and footwear industry exemptions from the recently proposed minimum wage. They include companies sourcing from Myanmar, those considering investing in Myanmar, and other concerned companies.

We all wish to see the ready-made garment and footwear sectors flourish in Myanmar creating investment and growth based on decent employment conditions for Myanmar garment workers. We therefore applaud the Myanmar government in undertaking a transparent mechanism for setting the minimum wage in line with ILO Convention 131 and respecting ILO Conventions 87 and 98.

Once the minimum wage has been set, companies will be in a position to accommodate that wage in any independent negotiations relating to global supply chains sourcing from Myanmar. In our view, the suggestion made by trade associations that a higher minimum wage will discourage international investment is based on a false premise. A minimum wage set through consultation with relevant stakeholders will attract rather than deter international companies buying garments from Myanmar, who have committed to paying living wages through their supply chains.

Our concern is that any exemption negotiated for the garment industry would lead to hundreds of thousands of garment workers not having a wage that meets their basic needs. Our experiences with other countries in the region suggest that this could lead to work stoppages and industrial unrest. Any industrial unrest, in contrast to higher wages, is much more likely to make international companies reconsider their business relationships and investments in Myanmar.

We reiterate our desire for a positive future for the garment and footwear industries. Myanmar has the opportunity to learn from the experiences of other countries with large ready made garment sectors and take the high-road investing in skills development and a well-motivated workforce. We hope through our business that we can support Myanmar on this path.

Please accept, your Excellency, the assurance of our highest consideration.

A handwritten signature in black ink, appearing to read "Judd", is written over a light blue horizontal line.

Jason Judd
Fair Labor Association
Vice-President of Programs

Copies:

Dr. Zaw Oo, Presidential Economic Advisor

U Myo Aung, Permanent Secretary Ministry of Labour, Employment and Social Security

Aung Lin, Chairman, Myanmar Trade Union Federation (MTUF)

Maung Maung, President of Confederation of Trade Unions of Myanmar (CTUM)

U Win Aung, Chair, Union of Myanmar Federation of Chambers of Commerce (UMFCCI)

U Soe Myint, Head of the Myanmar Garment Entrepreneurs Association (MGEA)

Daw Khaing Khaing Nw, Secretary General, Myanmar Garment Manufacturers Association (MGMA)

Adidas Group

William Anderson
Vice President of Social
and Environmental Affairs, Asia Pacific



**Best Promotions,
a Division of Brown & Bigelow**

Anita Jodelsohn
Vice President of Sales



Chenfeng Group

Guoxin Yin
Chief Executive Officer



ChicoBag Company

Andy Keller
President



College Kids

Mike Gavronski
President



Kathmandu, Ltd.

Donna Didham
Supplier Management Officer



Kranos Corporation

DBA Schutt Sports
Robert J. Ball
Director of Product Development



Mountain Equipment Co-op

Claire Germanas, Director of Sourcing
Samantha Kuchmak, Social Compliance Manager



National Memory Project

Charles Chamberlain
President and Managing Director



New Balance

Dr. Monica J. Gorman
Vice President, Global Compliance



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Shelly Gottschamer
Director of Supply Chain and Sustainability

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Wendy Savage
Senior Manager, Supply Chain
Social Responsibility and Traceability

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President and CEO

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Santa's Workshop, Inc.

Mike Conlan
President



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