

[more news](#)**Radio Free Asia**

Myanmar Business Owners Object to Proposed Minimum Wage Increase

2015-07-17



Myanmar laborers work in a garment factory on the outskirts of Yangon, Sept. 27, 2012.

AFP

More than 160 business owners in Myanmar and nearly 20 labor groups have submitted letters to the government, objecting to its proposal to increase the daily minimum wage by about 50 U.S. cents in the developing country which is transitioning to democracy.

Many of the businesspeople, who work for Chinese, Korean and Myanmar-owned garment factories — one of the largest sources of industrial employment in the Southeast Asian nation — argue that the increase would make their businesses unsustainable.

Garment factory owners in the Yangon division say they cannot pay the proposed daily minimum

wage of 3,600 kyats (U.S. \$3.11) and can only afford 2,500 kyats (U.S. \$2.16), said Win Zaw, a workers' representative from government's National Minimum Wage Committee.

"We (the committee members) told them that there should be a reason for not being able to pay that amount and they shouldn't just say, 'We can't pay 3,600 kyats per day,'" he said.

In addition, trade associations in Myanmar have made efforts to lobby the government for an exemption to the 3,600 kyats daily minimum wage, arguing that a higher minimum wage for garment workers would discourage international investment.

The committee proposed the wage increase last month following talks with government representatives, employers and workers. The current daily minimum wage is 3,000 kyats (\$2.59), although small and family-owned businesses employing fewer than 15 people are exempt.

Some international retailers whose goods are manufactured in Myanmar, including the U.S. clothing company Gap Inc. and German sports shoe manufacturer Adidas Group, have said a minimum wage of 3,600 kyats (U.S. \$3.11) per day is reasonable.

Workers also have submitted letters to the government, asking for a minimum of 4,000 kyats (U.S. \$3.46) per eight-hour workday, excluding benefits, overtime and bonuses.

International labor organizations and multinational have called on the government and garment factories to pay the proposed daily wage of 3,600 kyats.

On Tuesday, the U.S.-based Fair Labor Association, a coalition of labor rights groups and manufacturers, sent a letter to Myanmar's Ministry of Labor expressing disagreement with efforts by trade associations to exempt the fast-growing garment sector from paying its workers the proposed minimum wage.

"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," the group said in the letter.

The association also said brands committed to paying living wages would be encouraged to source their products from Myanmar once the proposed minimum wage was in place.

The National Minimum Wage Committee is reviewing the letters of objection and will hold a meeting with business owners and workers' representatives at the end of August.

The government approved the Minimum Wage Law in early 2013 and set up the National Minimum Wage Committee to determine an appropriate wage level through negotiations with stakeholders.

Reported by Khin Pyae Sone for RFA's Myanmar Service. Translated by Khet Mar. Written in English by Roseanne Gerin.

[View Full Site](#)