

23rd February 2021

President
Union of Myanmar Federation of Chambers of Commerce and Industry
No. 29, Min Ye Kyaw Swar Road,
Lanmadaw Township #11131
Yangon, Myanmar

Managing Director
Myanmar Garment Manufacturers Association
9 Floor, UMFCCI Tower,
29 Min Ye Kyaw Swar Street,
Yangon, Myanmar

Dear Sirs,

Reflection on Current Business Situation in Myanmar

Regarding the current situation in Myanmar, we are writing this letter to express our concerns on the difficulties and problems that the factories has been facing as follows:

- Difficulties in the Import and Export Clearance:**
Due to the current civil disobedience movement (CDM) in Myanmar, most of the truck drivers have staged work stoppages which has delayed and even stop the custom clearance. If the outbound issue cannot be solved shortly, the companies will not be able to meet the delivery requirement and suffer a serious reputation disaster followed by penalty and order cancellations from the clients.
- Problem in arranging transactions:**
Since the Myanmar's banking sector continues to be closed during the demonstrations, transaction cannot be properly done by the factories, leading to the difficulties of settling salary payment for workers on the payday in March.
- Unstable production due to the strike action:**
Owing to the fact that workers are continuing to strike for the CDM, factories are having a huge issue in ensuring a stable attendance, which in turn significantly affects the production. Customers also start to cancel orders since factories can no longer have any commitment to on time delivery because of the labor strike.

After suffering from the COVID-19 pandemic, the factories have now been struggling for survival under the current business atmosphere with the mentioned issues. Buyers begins to consider cancelling order and even relocating the production from Myanmar to other countries, which is hugely damaging to the manufacturing factories. Any factory closure will affect a massive number of local workers' livelihood due to unemployment.

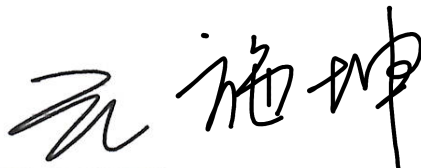
In view of the above critical situation, it will be highly appreciated if you would kindly explore the mentioned issues and look for solutions to help the factories overcome the obstacles.

If there is any question, please feel free to contact us by email info@hkmma.com.hk. Thank you.

Yours faithfully,



Gina Fu
Chairman
Hong Kong
Manufacturers'
Association Limited



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Chinese Textile &
Garment Association
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TADAKI KAWAE
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