



ROUNDTABLE & ADVISORY COMMITTEE ON SUSTAINABLE PRODUCTION IN THE TEXTILE AND GARMENTS SECTOR IN ASIA HELD IN CAMBODIA (23-24 OCTOBER, 2017)



EVENT
REPORT BY:

JUNAID MAKDA,
Dy. Chief Coordinator, Executive Director,
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Pakistan Hosiery Manufacturers & Exporters Association (PHMA) enjoys the privilege and eminence among GIZ and other international entities involved in economic and cooperation. From Pakistan, the PHMA is the important player in GIZ's Social and Labour Standards in the Textile & Garment Sector in Asia and also the member of its Advisory Committee which comprise of Bangladesh, Cambodia, China, Myanmar and Pakistan.

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INVITATION FOR GIZ ASIA (SLSG – Social and Labour Standards in the Textile and Garment Sector in Asia)

Recognizing importance of cooperation and collaboration and aiming at facilitating regional knowledge exchange, the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) in cooperation with the Garments Manufacturers Association of Cambodia (GMAC), organized a Roundtable in Phnom Penh, Cambodia, inviting the Associations from Pakistan, Bangladesh, Cambodia, China and Myanmar, scheduled from 23-24 October 2017. In the sidelines, Cambodia Textile Summit was also held from 25-26 October 2017.

Sustainability in production, based on compliance with social, labour, and environmental standards, has become a core element of modern manufacturing. In order to meet requirements and demands from international buyers and consumers and to maintain its global competitiveness, the Southeast Asian and South Asian textile and garment sector must work together towards ensuring compliance with social, labour and environmental standards.

Objectives of Round Table – Cambodia

The Round Table pursues two objectives:

- **To reflect on the increasing relevance of social dialogue for further development and progress of the sector; and**
- **To learn from practical experiences on specific aspects of this constituent element of international labour law.**

Focus of Round Table

The focus of Round Table was on Social dialogue which is the key to addressing these challenges and building trust and mutual respect between employers and workers, with state actors and brands as enabling facilitators. As one core aspect of it, collective bargaining will eventually lead to stable and productive labour relations, improvement of wages and working conditions. During recent years Cambodian actors increasingly engaged in social dialogue and have important experiences and issues to share with others in the region.

ROUNDTABLE ROUNDUP

The **Cambodia Round Table focused on social dialogue** as constituent element of international labour law and driving force for healthy and stable industrial relations. It brought together public and private stakeholders from Cambodia as well as from the industry of other Asian countries and from the international buyers' side for two purposes: First, to **reflect on the increasing relevance of social dialogue for further development and progress of the sector** and its importance for **building trust and mutual respect between employers and workers**, with state actors and brands as enabling facilitators. Second, it will provide an opportunity to learn from **practical experiences** from Cambodia and the region, including examples on dialogue formats at factory level, and pilot approaches on sectoral collective bargaining.

ADVISORY COMMITTEE MEETING

Focus of the Advisory Committee Meeting was to further develop the information sharing platform and setting up a concrete timeline and milestones including setting the priorities on contents and functions of the platform until the launch in October 2017. As well there will be strategies discussed on how to disseminate good practices on the national level.

The Advisory Committee further focused creation of STAR platform, its execution and implementation. To further develop the information sharing platform in order to promote it as an instrument for regional knowledge sharing. Therefore, the Advisory Committee is invited to develop a joint vision and mission statement to underline its common goal. Furthermore, the collected STAR practices from each producing association will be discussed in order to integrate a selection into the information sharing platform.

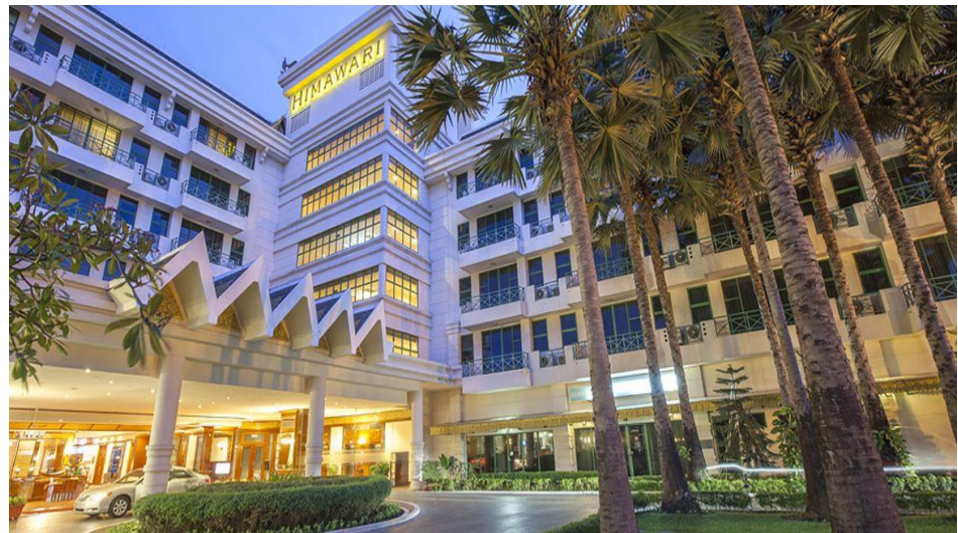
THE PLACE, VENUE & EVENT

**PHNOM PENH,
CAMBODIA**

**HIMAWARI HOTEL
SISOWATH QUAY,
CAMBODIA**

**ROUNDTABLE
ON:
24TH OCTOBER,
2017**

**ADVISORY
COUNCIL
MEETING:
23RD OCTOBER
2017**



ADVISORY COMMITTEE PROCEEDINGS (23RD OCTOBER 2018)

The Advisory Committee on Sustainable Production in the Textile & Garment Sector in Asia, scheduled on 23rd October 2017, started with opening and welcome remarks by Mr Gundolf Klæhn, GIZ Head of SLSG in China, who gave an outlook on the Round Table and the Cambodia Textile Summit. Industry news was also shared with all participants.

STAR PLAT FORM [www.star-textile.net]

A presentation on STAR platform: Online version was given by Liang Xiaohui, Chief Researcher, CNTAC and discussions were held regarding existing and missing contents, development of Mission Statement and common understanding of further use of STAR Website: www.star-textile.net

The Advisory Committee members discussed to what extend content from their association's websites should be replicated on the STAR website and agreed to only share links through the platform related to activities, etc. of the associations to ensure that the information is always up-to-date.

- Official employment data can be gathered from the ILO data.
- The AC members agreed to add the contact details of all member associations to the platform.
- The STAR website should provide a general overview on the industry of each country, on issues such as: utility costs; product line of the respective countries; information on minimum wage, social security requirements and other benefits. A template for the data collection will be shared with the IT focal points in each association.

Development of Mission Statement and common understanding of further use of STAR website

- Ideas for mission statements were developed in group work.
- SLSG, as secretariat of the Advisory Committee, will develop three mission statements based on the ideas for consideration of the AC members. The mission statements will be shared with the AC members, who are asked to select their favourite one, which will be published on the STAR website.

GOOD PRACTICE FRAMEWORK

- Mirjam Marquard from SLSG's regional component gave a short update on the status of the good practice initiative.
- Since the last AC meeting PHMA submitted good practices. The AC members agreed that all submitted good practices should be uploaded on the STAR website.
- All associations are invited to share further good practices on a rolling basis.
- The movie on the good practices was presented to the AC members, who agreed to sharing it on the STAR website.

PHMA SHARED THREE GOOD PRACTICES

1. Safety, Security, Health, Environment & Social Compliance (Building and fire safety) by J.B. Industries
2. Occupational Health and Safety (OHS) by Adeel International
3. Environmental protection through sustainable chemical management or resource efficiency (water, electricity) by Combined Fabrics.

PHMA APPROVED GOOD PRACTICE AND FACTSHEET

Made in Asia | Good practices on the way to a sustainable textile and garment sector

Emergency action committee to prevent and fight fires | Building and Fire Safety

M/S. J.B. Industries

The Challenge: In the textile industry, there is a special risk of fires. Almost all materials being used are flammable. Fires are often caused by negligence and in particular by bad housekeeping. The real concern in cases of fire is how to evacuate the employees and how to fight the fire. In 2012, Pakistan gained sad notoriety by the fire at Ali Enterprises and their difficulties to evacuate the employees. Since then, international buyers are even more attentive with regard to building and fire safety in Pakistan. JB Industries aimed at initiating a program to prevent fires, evacuate the employees and fight fires when they occur.

The Initiative: In 2006 JB Industries introduced an **Emergency Action Committee** to improve health and safety of its workers as well as the efficiency of emergency actions. The committee is responsible for preventing fires, fighting fires and train staff on how to evacuate in cases of emergencies. To ensure the capacity of the Emergency Action Committee in decision making and ability to act, the heads of departments and the owner actively participate in the monthly meetings and support the decisions.

To **prevent fires**, the Emergency Action Committee assessed fire risks within the factory, observes them regularly and rectifies hazards instantly, always searching for permanent solutions. Every identified risk and every action taken has to be reported. The fire risks at JB industries are related to electrical equipment and the electrification system. Both are observed by the department under surveillance of an electrician. A further source of danger, combustible dust, is removed by a heavy duty suction machine and monitored regularly on a weekly basis.

In **case of a fire**, the employees have to be evacuated and the fire has to be fought. The evacuation plan is regularly reviewed by the Emergency Action Committee, escape routes and emergency exits are secured. Every new employee gets an introduction into the evacuation plan. Monthly fire drills are conducted to ensure smooth evacuation in cases of emergencies. Furthermore, JB Industries started to train its employees on how to fight and extinguish fires. JB Industries purchased its own fire engine and emergency water tank to fight fires. It has two fully equipped fire cabinets and the fire fighters of JB industries can rely on 36 fire hydrants and 96 fire extinguishers.

The Benefit: An outbreak of fire causes a serious threat on the health or even life's of the employees, it destroys machines and property. The Emergency Action Committee prevents fires before they arise. Fire protection is in the self-interests of the owners and it also improves trust between buyers and suppliers. The fire risk management helps JB industries to maintain good relations to the brands. Buyers want to assure that their suppliers comply with national regulations and international standards to reduce their reputational risks and to make sure that they can meet the lead times. An effective fire risk management gives such assurance.

GOOD PRACTICES FROM FIVE PRODUCER COUNTRIES & IMPORTANCE OF GOOD PRACTICES AS A VEHICLE OF SHARING KNOWLEDGE

In this important session goods practices were introduced and discussed from five pilot countries on the topics of occupational health and safety, building and fire safety, promoting female workers, environmental protection and worker-management dialogue.

- **BANGLADESH** – Bangladesh Garment Manufacturers & Exporters Association (BGMEA)
- **CHINA** – China National Textile and Apparel Council (CNTAC)
- **CAMBODIA** – Garment Manufacturers Association in Cambodia (GMAC)
- **MYANMAR** – Myanmar Garment Manufacturers Association (MGMA)
- **PAKISTAN** – Pakistan Hosiery Manufacturers & Exporters Association (PHMA)

ROUNDTABLE PROCEEDINGS (24TH OCTOBER 2018) / FACTSHEET & HIGHLIGHTS

“There are a lot of reasons for social dialogue” Discovering the strengths and opportunities of social dialogue at the Round Table on Sustainable Production in the Textile and Garment Sector in Asia

Today Cambodia is well established as a part of the global textile supply chain. The garment industry contributes to 70 percent of Cambodian exports and provides around 650,000 jobs to Cambodian workers. But the country also has a history of fierce disputes over worker’s wages and rights. Cambodia experienced the damages that a lack of good industrial relations can cause: instability and serious image loss. From 2015 onwards Cambodia has also seen the benefits of a national negotiation process, where representatives from the workers side, the industry and the government have been involved. After tense negotiations on wages and working conditions, the situation improved significantly. With that in mind the GIZ project Social and Labour Standards in the Textile and Garment Sector in Asia (SLSG) together with the Garment Manufacturers Association in Cambodia (GMAC) invited to the Round Table on Sustainable Production in the Textile and Garment Sector in Asia in October 2017. The event, held on 24 October in Phnom Penh, focused on social dialogue as constituent element of international labour law and driving force for stable industrial relations. It brought together representatives of the Cambodian government and industry, of business associations from Bangladesh, Cambodia, China, Myanmar and Pakistan and of international organizations as well as representatives from international fashion brands.



How social dialogue and being selfish fits together

“There are a lot of reasons for social dialogue” said Maria Sargren, Ambassador to the Embassy of Sweden in Phnom Penh, at the beginning of the event: “Social reasons, ethical reasons, ... But there is also a selfish one: good business sense.” In fact, it was agreed among all participants that social dialogue serves for many purposes: improved working conditions, systematic wage negotiations or peaceful settlement of conflicts resulting in increased stability and productivity. But where to start? Before you begin Social Dialogue you have to know who your partners are, stated Ken Loo, Secretary General of GMAC. He alluded to the situation in Cambodia with its high number of trade unions. For Monika Lücke, Programme Coordinator of SLSG, it is also important to include a fourth stakeholder group besides workers, employers and governments: “Brands formerly were not part of the tripartite system, but have incredible economic power and therefore responsibility.”

Sharing responsibility

Hennes & Mauritz (H&M) is taking up this responsibility, as Sarah Hopkins, Sustainability Manager of H&M in Cambodia, explained on the panel. She pointed out that H&M has seen a lot more progress in terms of trust through social dialogue, leading to a stable working environment in their supplier factories. How building trust can work was explained by Laurance Lam, General Manager at Supreme Asia Garment Factory Ltd., based in Myanmar. He experienced the advantages of a good communication between workers and management: When there was a crisis situation in his factory due to a fire in one of the warehouses, where parts of the produced goods were destroyed, the workers were willing to continue working without some of the allowances. Some months later, when the Myanmar government reduced some of the public holidays, Laurance was able to return the favour, allowing workers to travel to their villages. His factory was able to overcome some of the problems it was facing, because workers and management acknowledged that they have a shared responsibility and solved the problems together. In the afternoon of the Round Table the participants discussed about the strengths, weaknesses, opportunities and threats (SWOT) of social dialogue within factories and on national, regional and global level. The participants reflected on the increasing importance of social dialogue for building social consensus among workers and employees and to hereby ensure competitiveness and further growth of the sector in a globalized economy, with state actors and brands as enabling facilitators.

PICTORIAL HIGHLIGHTS



PICTORIAL HIGHLIGHTS



PICTORIAL HIGHLIGHTS



REPRESENTATION OF MR JUNAID MAKDA, DY. CHIEF COORDINATOR PHMA

Mr Junaid Makda, Dy. Chief Coordinator, PHMA on behalf of Association, in the Advisory Committee meeting, presented best wishes and compliments to the Organizers to provide an opportunity to Regional Countries representatives to exchange views on garments manufacturing and relevant matters.

He articulated that such initiatives were imperative to explore new horizons of commercial and economic cooperation for the global business development and prosperity. He expressed solidarity and high regards to the representatives of international and regional business community gathered on the occasion.

Mr Makda underscored that investment in Human Capital is a key business decision which enables the maximization of returns through sustained growth. Keeping this in view, PHMA been actively involved in developing and delivering in-house trainings customized to meet Industry requirements. These trainings are effective solutions to improve major performance indicators; productivity, quality, competitiveness, sustainability and knowledge management of industries for easier and faster path to ISO compliance and WTO requirements. The results include improvements in export potential, human resource development, managerial capacity and potential of industries.



Mr Makda appreciated the initiative of STAR Platform, an initiative to connect the industry of five collaborating countries on one virtual platform for knowledge and information sharing. He apprised that the required Country Profile along with necessary information and details of Textile and Garment Industry of Pakistan providing reliable sources was promptly shared for the purpose. From PHMA, he assured best possible support and cooperation to turn the plan into action and launch the website in the next Advisory Committee Meeting schedule in May 2017 in China.

Mr Makda voiced that since inception of PHMA, Association was playing an important role to promote the national economy through enhancement of exports. PHMA had clear objectives to increase the exports, more opportunities of investment, capital inflow and expansion in the national and international trade.

Subsequently, PHMA wants to work closely in collaborate with Counterparts from China, Cambodia, Myanmar and Bangladesh supported by GIZ Asia. He was optimistic that with the effective cooperation of Regional Cooperation would become more friendly and cordial and to achieve the desired aims. He concluded his keynotes with asserting upon the need collective efforts and collaboration, Mr Makda added.

Mr Junaid Makda addressed the Advisory Committee and gave a synopsis about the textile and garment sector of Pakistan and its great existing potential. He also identified areas of cooperation and collaboration of Pakistan with regional countries in Asia. He also recalled presentation on good practices of industries in Karachi in respect to Fire, Health, Safety, Security and Environment which was admired and appreciated at large and published for circulation to participating countries for dissemination to industries to learn from good practices of industries in Pakistan. On behalf of PHMA and our beloved country Pakistan, he expressed his cordial gratitude to the Organizers and National Associations of friendly regional countries for recognizing Pakistan as leading player and also recognizing PHMA being the most vibrant Association of Pakistan and officially taking PHMA from Pakistan onboard in the Advisory Committee. He on behalf of PHMA assured best possible cooperation and support. ***

CAMBODIA TEXTILE SUMMIT 2017

THE PLACE, VENUE & EVENT

PHNOM PENH, CAMBODIA
SOFITEL HOTEL
PHNOM PENH, CAMBODIA
TEXTILE SUMMIT:
25TH & 26TH OCTOBER, 2017



CAMBODIA Textile Summit was held from 25th to 26th October 2017 wherein the Key Speakers from the Cambodian Government and Private sector highlighted the advantages of Textile Industry in Cambodia, current situation and development outlook of Apparel Industry, present situation of Labour Relations, Deep Interpretation of the Belt and Road initiative on Cambodia Textile & Apparel Industry and other areas.

INTERACTIVE SESSIONS WITH VARIOUS PARTICIPANTS OF ROUNDTABLE, ADVISORY COMMITTEE & CAMBODIA TEXTILE SUMMIT

In the sidelines of Roundtable and Advisory Committee, Mr Junaid Makda, Dy. Chief Coordinator, PHMA also exchanged views on matters of mutual interests with various participants as follows:

- **DR XIAOHUI LIANG,**
Deputy Chief Economist, China Textile Information Centre
Chief Researcher, Office for Social Responsibility, China National Textile & Apparel Council
- **DR KEN LOO,**
Secretary General, Garments Manufacturers Association in Cambodia
- **MR ROBERT HWANG,**
Deputy Chairman, Garments Manufacturers Association in Cambodia
- **MR KIM PICHDA,**
Legal & Labour Manager, Garments Manufacturers Association in Cambodia
- **MR JOHN RITCHOTTE,**
Specialist in Labour Administration & Labour Relations, International Labour Organization (ILO)
- **MS ESTHER GERMANS,**
Program Manager, BetterFactories Cambodia, IFC & ILO
- **MR GUNDOLF KLAHN,**
GIZ Head SLSG China, Emerging Market Multinationals Network for Sustainability,
Social & Labour Standards in the Garments & Textiles Sector in Asia
- **MS IRENE GENZMER,**
GIZ Head of Regional Cooperation & SLSG in Cambodia
- **MS MIRJAM MARQUARD,**
GIZ Advisor SLSG Component,
- **MR HU FAXIANG**
Chief Economist, China Textile Information Centre

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PAKISTAN HOSIERY MANUFACTURERS & EXPORTERS ASSOCIATION

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