

Brussels and Geneva, 10 May 2023

RE.: European Parliament Resolution on Myanmar

Dear MEP,

On 10 and 11 May, the European Parliament will debate and vote on a Resolution on Myanmar, the fourth since the military coup of February 2021.

After the coup, almost the entire labour movement of Myanmar has been banned, with many trade unionists being arrested, and others going into hiding or exile. Despite this, these organisations continue to operate underground. European and international trade unions maintain close and frequent contact with their counterparts in Myanmar, and we use this opportunity to relay to you as a Member of the European Parliament, a direct request from Myanmar's trade union movement on the forthcoming Resolution.

The Resolution should note that **the military junta has escalated its repression of democratic forces in Myanmar**, through increased military attacks on civilians, including an air strike on Pazigyi on 11 April that killed at least 165 people. The regime banned 40 political parties ahead of upcoming illegal and sham elections that it intends to use to consolidate and legitimise its grip on power. These actions demonstrate that there is no pathway to democracy in Myanmar that does not involve the defeat of the regime, and that the current EU policy of trying to encourage democratic reform through trade is misguided and counterproductive.

The military regime desperately needs foreign exchange to buy weapons, ammunition, energy and components. A shortage of foreign exchange is possibly the single biggest threat to the regime. **We call on the European Parliament to do everything in its power to stop the military regime, including by cutting off its funding via foreign exchange.**

All economic activity by European companies brings foreign exchange into the country. In April 2022, the junta changed the law, making it illegal to hold foreign exchange for more than 24 hours. Foreign exchange must be changed into the local currency, kyat, at a preferential rate. The junta controls the Myanmar Central Bank, and the Myanmar Foreign Trade Bank, meaning that **any foreign exchange entering the country passes directly to the regime.** For this reason, the EU has already adopted some key restrictive measures against a list of Myanmar companies and has called on EU oil companies to withdraw from the country. The same should apply to EU garment brands as EU consumers, by buying products made in Myanmar, are inadvertently funding the regime. This must stop.

The trade unions of Myanmar are concerned that current EU policy, and the partial adoption of restrictive measures that excludes financial and insurance sectors, provides both financial and institutional support for the military regime and undermines efforts to return the country to democracy. Specifically, trade unions request that the Resolution asks the European Commission and the European Council to:

1. **Withdraw EU support for the MADE in Myanmar programme.** MADE (Multi-Stakeholder Alliance for Decent Employment in the Myanmar Apparel Industry) is a project funded by the EU as well as by European-based garment brands, which claims to establish social dialogue at factory level in the garment industry. The project has been condemned by independent trade unions and labour organisations in Myanmar in a letter sent to the Commission in April 2023, as it legitimises the

creation of bogus worker organisations, as well as military-controlled labour relations and social dialogue mechanisms. In a context where workers are not free to choose their own representatives, MADE amounts to a whitewash that benefits the regime financially. During the ongoing ILO Commission of Inquiry on freedom of association violations in Myanmar, the military junta cynically uses MADE to claim that social dialogue and freedom of association exist in the country. The regime is currently not recognised by the UN, ILO and other agencies, and there are fears that MADE could help facilitate diplomatic normalisation of the regime.

2. **Withdraw the Everything But Arms (EBA) trade preferences.** EBA preferences can be withdrawn in the event of serious and systematic violations of the core 15 UN and ILO Conventions, as happened in the case of Cambodia. Myanmar is clearly in violation of the core Conventions as well as EU principles and should not enjoy a preferential trade access to the EU.
3. **Implement further targeted sanctions.** All international financial transactions related to the State Administrative Council's (SAC) fuel buying process be identified with the international banks, and the Central Bank of Myanmar, the Myanmar Foreign Trade Bank and the Myanmar Investment and Commercial Banks to be sanctioned. This is essential to stop the SAC from continuing the atrocities by stopping the SAC from being able to buy weapons, ammunitions and dual use fuel that transports the soldiers and the ammunitions.
4. **Condemn the illegal elections and insist on the release of all political prisoners.** Urgent action is needed to end the military violence and reinstate real democracy including the legitimate trade unions.

In its statement of November 2021, the National Unity Government (NUG) made clear that no international company should operate in Myanmar if its operations provide any material benefit to the military regime, for instance through taxes or bills paid to military-owned companies, including in utilities and ports.

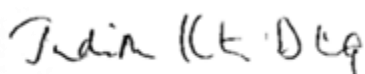
The subsequent change to the law that requires foreign exchange to be converted into local currency within 24 hours means that **all trade with Myanmar benefits the regime** and allows it to maintain its grip on power, thereby prolonging the suffering of the people of Myanmar.

The Resolution on Myanmar should aim to cut all support for the regime.

Responsible business disengagement from Myanmar is possible, and we draw your attention to IndustriALL Global Union's [responsible exit framework](#) which it has negotiated with a number of global garment brands. This framework is a tool that can be used by companies to responsibly end their activities in Myanmar.

Workers and trade unions in Myanmar and across the world look to the European Parliament as a defender of democratic values, to do everything in its power to end the military junta's rule and return democracy to the people of Myanmar.

Yours sincerely,



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