

amfori calls on the European Commission to investigate whether Myanmar has violated the principles laid down in the core human and labour rights ILO/UN conventions within the GSP Regulation.

Background

It is clear that the military coup of February 2021 has resulted in systematic violation of human rights within the country. There were already signs of such abuses in 2017, and at the end of 2018 a delegation from the European Commission concluded that human and labour rights violations in Myanmar showed it was not respecting the conditions of the Generalised Scheme of Preferences under which it was granted “Everything but Arms” (EBA) status. However, at the time, it was decided not to open an official investigation to determine whether those preferences should be withdrawn.

amfori now calls on the Commission to open such an investigation.

The advantages of EBA for Myanmar

The EBA preferences granted to Myanmar allow EU companies to import all products (other than armaments) free of duties. In 2021 those imports included approx. €1.7Bn of clothing and €162m of footwear – representing 90% of total exports to the EU¹. Considering that normal EU duties on such products are 12%, and 8% to 17% respectively this represents a saving of more than €230m.

This is clearly a significant incentive on which EU companies will base their sourcing decisions. One that can be seen following the reinstatement of EBA in mid-2013 (it was removed in 1997) when imports rose from €164 to €308m in 2014 and €573m in 2015, and as can be seen in trade levels with other EBA countries. It is also reflected in the fact that Myanmar is one of the top ten sourcing countries for amfori members. Therefore, amfori believes that trade preferences benefit sourcing countries by increasing trade, production, and employment levels and correspondingly reducing poverty levels.

Our message

However, as an advocate for sustainable supply chains, amfori cannot ignore that serious violations have occurred in recent years. We also believe that these violations represent a failure to respect the core ILO and UN human rights conventions within the EU’s GSP.

With that in mind, amfori:

- calls upon the European Commission to open an investigation to determine whether Myanmar has conducted serious and systematic violations of the principles laid down in the core human and labour rights ILO and UN conventions of the GSP, and if so, to withdraw EBA preferences.

- urges the military regime to cooperate closely with the EU, rectify any violations that are found and seek immediate and satisfying solutions to the human rights crisis.

The consequences of removing preferences could be a fall in exports, and therefore employment – as the reintroduction of duties would be a disincentive for amfori’s members to continue sourcing from the country. However, amfori would support such a decision – as a means of last resort, and as we did when action was taken against Cambodia in 2020ⁱⁱ – to demonstrate that blatant human rights violations cannot be accepted. It would also lend credibility to the GSP system and show that penalties, as well as advantages, can occur.

Should the Commission take up our call, we will offer our support and advice, whenever needed and appropriate, to serve the common objective of stable sustainable economic relations between the EU and Myanmar.

ⁱ Source : Eurostat

ⁱⁱ <https://www.amfori.org/news/european-commissions-decision-cambodia>

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