



Amsterdam, 16th of March 2020

Dear AGT members,

At this time, all of us around the world are being confronted with the Covid-19 virus. Nearly every country is affected in some way.

The textile industry is also being affected by this threat. One aspect is the decline in demand as consumers are putting off buying products and people cannot, or are not as willing, to go to shops. With this following a rather slow winter season, companies are likely experiencing some significant financial consequences.

Another problem has been China's decision to stop almost all production until after the Chinese New Year. The supply of textile products to Europe, as well as the supply of materials to other production locations in Africa and Asia, is not running smoothly. Countries in the textile industry who have a strong connection to China (like Vietnam, Cambodia, and Myanmar) are having difficulties. Factories are unable to produce and process orders; they simply do not have enough fabric, needles, or other necessary materials.

Many of you have probably read the article published in Trouw¹ on March 8th. This article clearly describes the consequences of the Corona virus for the textile industry in Vietnam and Cambodia, as well as for the surrounding (in)formal economy which depends upon this industry. The government of Myanmar has also responded with preventative measures and the situation has even forced some companies to close their doors. Our union partners have announced the closure of 16 textile factories. Further, there is also news of factories implementing cuts in production and shorter working hours. IndustriALL² estimates that Cambodia will suspend or greatly reduce production at 200 locations. All of these factors have real consequences for the employment and income of workers as many of them are being sent home without wages.

We are hearing that orders from Bangladesh are being cancelled and that payments are being postponed. This puts the entire financial risk onto the producers, who have an enormous responsibility towards the 1000s of families who depend on the textile workers' wages.

This is an extraordinary situation and we are all affected. In line with the ITUC, we are calling upon governments and businesses to guarantee safety for workers, and if necessary, to give the workers

¹ <https://www.trouw.nl/economie/coronavirus-raakt-cambodjaanse-en-vietnamese-fabriekenkeihard~b0c6163d/>

² <http://www.industriall-union.org/workers-in-cambodia-and-myanmar-hit-hard-by-coronavirus-fall-out>

paid leave.³ This should apply to the company's own employees as well as the workers throughout the supply chain.

In response to the outbreak of the Corona virus in China, the FLA has created an advisory which calls businesses to take responsibility for several issues, namely to:

1. Monitor suppliers so they continue paying workers, even if they become infected with the virus
2. Be flexible with supplier contracts in regard to delivery dates and times or breach of contract. This applies to suppliers in third countries who are suffering shortages as a consequence of the virus⁴.

As trade unions, we want to ask all the members of the agreement to remember that the Corona virus impacts all of us around the world. As a company or an individual here, but also in most production countries. If measures need to be implemented, don't forget the consequences these will have on your supply chain, especially the potentially enormous impact they will have on workers in textile factories. We would like to urge the agreement members to engage in dialogue with suppliers during this time of crisis. Take a position of solidarity, still keeping in mind the long term consequences for production. Transparent conversations about the mutual challenges we are facing in the industry can bring new insight, which will hopefully mean we will be able to take less aggressive measures.

Kind regards,

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³ <https://www.ituc-csi.org/covid-19-urgent-economic-stimulus>

⁴ https://www.fairlabor.org/sites/default/files/documents/reports/fla-brief-coronavirus_020620