



ACT [Action, Collaboration, Transformation]
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RMG Minimum Wage Board

22/1, Topkhana Road
Dhaka, 1000 Bangladesh
In copy: Faruque Hassan, President,
Bangladesh Garment Manufacturers and Exporter Association (BGMEA),
Amirul Haque Amin, President, IndustriALL Bangladesh Council (IBC)

Berlin, 12th September 2023

Subject: Bangladesh RMG Minimum Wage Setting 2023

Dear RMG Minimum Wage Board members,

We are writing to you as members of Action, Collaboration, Transformation (ACT), a joint initiative between 19 international garment brands and retailers and IndustriALL Global Union aiming to support the development of living wages in the RMG sector. As international buyers and trade unions we are closely following the ongoing ready-made garment (RMG) minimum wage setting process. We support efforts for a higher minimum wage for RMG workers and wanted to highlight the importance of taking into consideration the due diligence and calculations put forward by the negotiating parties, some of which represent IndustriALL affiliates in Bangladesh¹. We sincerely hope and urge that RMG Minimum Wage Board members reach a negotiated consensus that allows the setting of a new Minimum Wage in Bangladesh that will cover the minimum income necessary for a worker to meet the basic needs of himself/herself and his/her, family including some discretionary income. This should be earned during legal normal working hour limits.

In recent years, Bangladesh's RMG sector has seen remarkable development into a leader of global garment and apparel production. The industry has taken decisive steps towards a safer and more sustainable industry. Simultaneously, Bangladesh's largest trade partners - the US and the European Union - have begun to implement new due diligence laws and requirements with an increased focus on working conditions and respect for fundamental rights for workers throughout our supply chains. These

¹ Please refer to the IndustriALL affiliates letter submitted to the RMG Minimum wage board on 8th of August, <https://www.industrialall-union.org/bangladeshi-unions-demand-increased-minimum-wage-for-garment-workers>.

requirements have focused expectations by consumers and governments on production countries like Bangladesh to continue upholding, respecting and protecting rights of workers. One of the fundamental human rights is the right to a just remuneration that ensures an existence worthy of human dignity.

As ACT members we believe that a long-term sustainable RMG industry requires progress towards living wages. ACT member brands recognise their role in supporting wage developments and have committed to supporting a living wage in the RMG sector in Bangladesh through the promotion of the conditions to achieve an industry-wide collective bargaining agreement supported by Brands' purchasing practices. ACT brands recognise the crucial contribution brands need to make through their purchasing practices and engagement with manufacturers and suppliers in Bangladesh in support of higher wages. We have therefore made commitments to facilitate the payment of living wages through our purchasing practices.

ACT member brands and IndustriALL aim to support higher wage setting mechanisms both through national minimum wage processes and through collective bargaining at industry-level. We believe that industrial relations can complement statutory wage setting mechanisms in ensuring tailor-made solutions to industry specific challenges. This is also crucial in ensuring that wage gains and increases are adjusted frequently and not steadily eroded through inflation and cost of living increases.

We also believe that joint approaches to higher wages and to strengthening the respect of Freedom of Association and Collective Bargaining rights are fundamental to the development of the RMG sector. We note that Freedom of Association and in consequence workers freedom to form and join Trade Unions is essential to the development of the industry and we believe this approach will ensure Bangladesh can continue to be a key sourcing partner for the ACT member companies.

ACT is built on the principle that progress towards living wages can only be ensured by national industrial relations institutions and should be supported by all actors in the supply chain. The aim is to establish a structural approach which allows all stakeholders to hold joint responsibility for the future of the industry.

We therefore recognise with urgency the need for the RMG Minimum Wage Board to agree through a peaceful process to a higher minimum wage for the sector.

In consequence, we urge the RMG Minimum Wage Board to reach a consensus that allows the setting of a new Minimum Wage in Bangladesh which secures an income necessary to support the living costs for workers and their families.

Yours sincerely,



OSOS

BESTSELLER



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RAW

H&M Group

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