

Better Work Jordan 8th Annual Buyers' Forum

Day 2 – 13 April 2016

Summary Buyers' Forum 2016/ Multi Stakeholders Meeting

Key Summary Points

- International buyers and Jordan's garment sector stakeholders discussed ways to achieve new milestones in the working and living conditions of the sector's workers, building capacities for the national constituents, improving the country's competitiveness and the sector in general.
- Jordan's garment sector enjoys a free trade agreement with the United States. The sector continues to thrive despite volatility in the region, with exports surging from US\$700 million in 2007 to over US\$1.5 billion in 2015. The sector employs approximately 16,000 local workers and 43,000 migrant workers, the majority of whom originate from Bangladesh, Sri Lanka and India. The apparel industry accounts for 17 percent of the country's exports.
- Stakeholders stressed their commitment to partnership and cooperation in the interest of strengthening the garment industry in Jordan and improving conditions for workers. They recognized the achievements of Better Work, supported by both public and private stakeholders, over recent years, which include the signing of the guidelines of a new unified contract for migrant workers by Jordan's main apparel employer associations and the country's garment union, in addition to a two-year extension of the sector's collective bargaining agreement (CBA) struck in 2013.
- Worker safety is of paramount importance to buyers. Addressing buyers' concerns about dormitory standards, the Ministry of Labour stated that it is working with the Ministry of Health to delegate the authority to inspect dormitories in the garment sector to the Ministry of Labour.
- Buyers and employers echoed concerns about factory compliance with some labour law regulations, particularly Article 72 in the Labour Law on the

provision of daycare facilities and regulations on hiring specialized healthcare and OSH staff.

Syrian Refugees pilot project

In the wake of the results of February's London Donors Conference, which aimed to boost the Jordan Response Plan for 2016, discussions included the creation of job opportunities for Syrian refugees in the country's vetted qualified industrial zones, thus turning the Syrian refugee crisis into a development opportunity to attract new investments and open up the EU market with simplified rules of origin, while also creating jobs for Jordanians.

The UNHCR-ILO/BWJ pilot project will support the employment of 2,000 Syrian refugees with previous work experience in the garment sector in Jordan's apparel industry.

Work permits will be organized by the UNHCR, while the government of Jordan has agreed to ease requirements for obtaining permits for Syrian refugees, who will be receiving cards issued by the Ministry of Interior (MoI) instead of requiring a passport. Syrian workers will be hired under the existing migrant quota and the unified contract adapted to match the refugee status of the new workforce.

The UNHCR said the project will start in six pilot companies affiliated with BWJ, on the MoI's golden list and with a mixed workforce including Jordanians and migrant workers.

The UNHCR is organizing job placements, thus matching the factories' requirements with the most suitable refugees by collecting data from the agency's database.

According to the UNHCR, refugees are informed in detail about the working conditions, contractual details and work permits.

Opening remarks

Haithem Khasawneh, Jordan's Deputy Secretary-General of the Ministry of Labour, said that the Ministry has been giving a special priority to the creation of thousands of new job opportunities for both Jordanians and not Jordanians.

Since some 170-180,000 Jordanians are unemployed, the Ministry has launched job campaigns and focused on creating job opportunities for Jordanians in the past years. "We are trying to expand more in terms of investment in Jordan's rural area and also boost women's jobs opportunities," Khasawneh said. "We are also supporting foreign investors to expand their businesses in Jordan. While thousands more Jordanians will be employed in rural areas in the future, we have also started facilitating the delivery of work permits to Syrians exempted from fees."

Secretary-General of the Ministry of Industry and Trade Yousef Al Shamali said 250,000 workers were employed in the industrial sector and that the garment sector accounted for 18 percent of the country's GDP, which is roughly 25 percent of the industrial production in general. Al Shamali said that exports to the US have further increased in 2015 thanks to the long-standing FTA between the two countries. Seventy to 80 percent of the sector's exports go to the US according to the official, who also pointed out the hardships Jordan is going through due to the region's volatile situation and the closure of the country's borders with Syria and Iraq.

"We want to establish four new industrial zones, aimed at attracting investment both locally and internationally. These have already been discussed with the EU and will take advantage of the relaxation of the rules of origin," Al Shamali said.

He added that, since 2002, exports towards the EU have stagnated, while Jordan is currently importing US\$2.2 billion worth of goods from the EU and that therefore Jordan needed to exploit the advantage of the upcoming relaxation of the rules of origin.

Unites States Deputy Chief of Mission to Jordan Henry T. Wooster underscored the strong strategic partnership between the two countries.

"The garment sector exports US\$1.3 billion to the US per year. This year the industry is expected to grow by a further 10 percent," he said. "We have increased stability and cooperation. Raising the level of working conditions is crucial and we strongly believe that the implemented changes make economic sense. Milestones like the

Collective Bargaining Agreement are shining beacons that catch the eyes of international investors,” Wooster said.

EU ambassador to Jordan Andrea Matteo Fontana highlighted the reforms to the business relationships between the two regions to boost Jordan’s production and help the country withstand the current humanitarian crisis.

The official said that the EU is currently supporting SMEs in the country and investing in the energy sector and that Jordan and the EU have enjoyed a trade agreement since 2002.

“We are available to help Jordan in such a difficult situation. Relaxation of our rules of origin will follow the decision taken by the international community. Jordan is a middle-income country, which, in turn, makes it harder to deliver help to. However, together with the World Bank, we have changed the approach towards it. We will be applying to Jordan the same rules that we are applying to poorer countries. We hope we will be reaching a final decision concerning the further opening up of the EU market to Jordan’s products by the summer and to swiftly implement it shortly after. What brought us to consider this relaxation is the huge strain on Jordan in the humanitarian crisis.”

UNHCR Deputy Representative to Jordan Paul Stromberg shed light on the newly launched pilot project in the country to include Syrians in the workforce, which was mostly made possible by the stability of the country.

“Syrians are remarkably industrious and we believe, where allowed by law, they can significantly contribute to the economy, especially because their income will be spent here and will further benefit the local communities,” he said. “We are very grateful to the government for making this possible and pleased with the collaboration with the ILO/BWJ.”

The official said that donors provided Jordan with US\$681 million last year and that US\$2.17 billion will be made available in the next three years.

Fathallah al Omrani, President of the General Trade Union of Workers in Textile, Garment and Clothing Industries said since the industrial zones were established following the United States Free Trade Area implementation, the sector has become a major one in Jordan. “We see the result of this today in Jordan’s output and the huge expansion of the whole sector. We have 75 factories between small and large

ones in which 16,000 Jordanian workers and 43,000 foreign employees from nine different countries are currently active,” al Omrani said.

The union is working for the continuation of the success of the sector by facing its challenges. The results achieved were outstanding, the official said, especially in light of the agreements struck in the past few years including both local as well as the migrant workforce, which provided a sustainable strategy for the future of the sector.

“The agreement struck in 2013 included all the workers without distinguishing between them according to their origins and was a further milestone step for the sector. At the end of 2014 the sector’s stakeholders agreed on creating the Unified Contract for everyone. Of course, there have been problems in implementing the new inclusive strategies, like translating and making the guidelines understandable to all the workers, but these are all steps for the future of the sector.”

Also the implementation of the unified contract has been a remarkable result achieved with the cooperation of all the stakeholders, the MoL, Ministry of Health, JGATE, BWJ/ILO, among others.

“For a successful inclusion of the Syrian workers within the workforce, we need to implement training to teach the new workforce how to work on these machines and provide them with transportation to reach the workplace from their homes. Again, we need a plan embraced by all the stakeholders for a successful implementation of a new project.”

Dina Khayyat, President of the Jordan Garments, Accessories and Textiles Exporters' Association (JGATE) said that exports amounted to US\$1.5 billion last year, while thousands of jobs have been created in the past decade. Milestones have been reached together with BWJ and all the country’s stakeholders, like the CBA and its Unified Contract —which thanks to the agency has been translated into ten languages.

“We are creating new job opportunities, Khayyat said. “The big challenge is now to employ, training and preparing more Jordanians to work in factories. This is still the biggest challenge that the private sector needs to face. We are also about to start including Syrian refugees within the workforce. We have reached an agreement with the MoL to employ 2,000 Syrian workers and facilitate their work permits and residency. We need to make sure the whole infrastructure is set up to host and efficiently implement the project to absorb even larger quantities of Syrian refugees among other workforces from different nationalities. With the upcoming relaxation

of the EU rules of origin, we hope to organize another forum to invite European buyers and show them the potential of Jordan's garment sector."

Khayyat said that Jordan's market needed to grow in order to create new jobs, therefore the association was asking the government of Jordan for more incentives for the sectors, especially in terms of taxes.

"As the big milestones achieved show, we need to work together to achieve results and everyone needs to agree on and nod to the same decisions. We need also more investment to make the sector stable. We need to increase production, especially in light of the interest from European buyers to produce in the country and we need more investment to make this possible and create more jobs."

Abdallah al Jbour, Director of Labour Inspection at Jordan's Ministry of Labour said that the situation of the garment sector in the country was good and exports had increased by some ten percent in 2015 year on year. New investors have entered the country's sector in the past few years, leading the number of local workers to increase from 10,000 four years ago to some 16,000 and the number of migrant workers to reach an overall number of 60,000 people employed in the sector. Training of the new local workforce has also increased. "We are also gearing up for the establishment of new satellite factories, as well as the inclusion of Syrian refugees within the workforce abiding by all legal terms and not affecting Jordanians."

Loay Tolba, EMEA Compliance Manager, New Balance

"I have been in the industry before the establishment of BWJ and we have noticed a huge progress in the industry since then. The most important thing is that we feel there is a great opportunity here in Jordan and that the country has the platform to engage with its challenges."

Tolba said that the industry had faced many challenges throughout the years concerning the inclusion of foreign laborers, including, now, Syrian refugees.

"There is always a new challenge coming out. But the good thing is that with the engagement of ILO/BWJ and the industry's multiple stakeholders we can work together to overcome these challenges."

Extending business with the support of additional investors and new policy, like the upcoming one between Jordan and the EU, makes the country more interesting to the buyers, he said. But this was, again, a challenge. "This is a competitive market, it

is not easy. Everyone is competing with everyone globally. So the most important thing is to show the suppliers what is at stake and to make brands more interested to come here. It is important to focus on the social performance of the factories but also on the production, sustainability and environmental aspects. All these components add to the profile of the factories and make them more interesting and lucrative for brands to come and invest.”

Tolba said that brands were happy to see Syrian refugees integrated within the labor market but that the most important thing for them was to see it done properly.

“I think this is what we are witnessing here in Jordan with the engagement of the government, UNHCR, the suppliers and the ILO expertise. We can in this way ensure that the transition happens properly and in the right way. The more we do it properly, clearly and have the right procedures, the better this transition can happen.”

Annex 1. Participants

Organization	Participant Title	Name
Government and Others		
Ministry of Labour	Deputy of General Secretary	Haitham Al Khasawneh
	Head of the Directorate of migrants workers	Majed Al Jazi
	Head of inspection department	Abdullah Al Jbour
	Investment Department	Sami Al Khdeir
	Inspection department	Rand Al Araj
	Legal Department	Abed Al Jwad Al Natsheh
	MOL	Eman alrashdan
	Head of Legal Department	Samer Al Qudah
Ministry of Industry, Trade and Supply	General Secretary	Yousef Al Shamali
	Head of Industrial Development	Yasmine Al Khrysat
	Head of Business Environmental Development of QIZ	Hassan Al-Nsour
U.S. Embassy	Deputy Chief of Mission	Henry T Wooster
	Political Officer	Stephanie R. Sobek
	Political Specialist	Rasha Akkash
	Senior Economic Specialist	Shereen Al Vzaiz
	International Relations Analyst, Division of Research and Policy	Afshar Ahoura
European Union of Jordan	Ambassador	Andrea Matteo Fontana

	Attache' Trade and Private Sector Development	Maria Iarrera
	Trade, Economic Affairs & Private Sector Development	
UNHCR	Representative of UNHCR Jordan	Paul Stromberg
	Work Permit Project Manager	Anna Gaunt
USAID	Director (Economic Development & Energy Office)	H. Russell Bauer
	Project Management Specialist	Haneen S. Rasheed
Swiss Embassy	Regional Programme Manager - Middle East	Pascal Raess
Swiss Agency for Development and Cooperation SDC	National Programme Officer	Aya Maraqa
World Bank (WB)	Private Senior Specialist	Meriem Ait Ali Slimane
	Senior Enr. Specialist	Tracy Hart
	WB team	Abdil Raheem Saket
IFC	Project Manager	Abeer Shalan
	Consultant	Jawaher Al-Tawarah
Ministry of Health	Public Health Technician	Abdallah Heyasat
	Public Health Technician	Reem Rowayyes
Social Security Corporation	Occupational Safety & Health Director	Firas Shatanawi
Civil Defence	Civil Defense Officer	Medhat Al Alawneh
The General Union of the Owners of Garments Factories	President	Mahmoud Hijjawi
The General Trade Union of Workers in Textile, Garment, & Clothing Industries	President	Fathallah Al-Omrani
	Coordinator	Mervat Al-Jamhawi
	Member	Ahlam Al-Terawi
Jordan Chamber of Industry	Board Member/Representative	Adel Tawileh
	Coordinator – Industrial Development	Hasib Salamah
JGATE	Chairperson	Dina Khayyat
	Vice-Chairman of the Board	Farhan Ifram
	Board Member	Mansoor Khawaja
	Board Member	Husam Saeleh
UK Embassy	First Secretary	Hinesh Rajani
	Advisor	Bany Armstrong
Taiwan Commercial Office	Director	Kevin Jiang
	Officer Second Secretary	Chihcheng Fang
MUST Group	CFO- Operation	Nilesh Jain
	Executive Director	Harinder Lamba
JCI		Rania Kataw
Sadaqa		Reem Aslan
		Lara Ayoub
Buyers		
Li & Fung	Senior Manager – Vendor Compliance & Sustainability	Eylam Yilmaz
	Senior Vice President-Hub Operations	Rasih Ozturkmen

	Sorini, Samet & Associates LLC	Andrew J. Samet
Hanes Brands	Senior Compliance Specialist	Ahmad Abdallah
Nike-Turkey Office	Senior Sustainability Consultant at EMEA at Nike	Duygu Keles
New Balance	EMEA Compliance Manager	Loay Tolba
Gap Inc.	Manager – Monitoring and Remediation	Sharmila Nithyanand
Sears Holdings Corporation	Assistant Compliance Manager	Muhammed Muntakim Husain
One Jeanswear Group Inc.	Country Manager	Micky Pulickal
H & M	Regional Manager	Serkan Tanka
Ann Inc.	Manager, Corporate Social Responsibilities	Cydney Stevens
EIS/ERBA	Quality Systems & Compliance	Hikmet Eksi Yildiz
Delta Galil Industries Ltd.	Global Compliance Director/Century Wear	Leslie Shull
Factories		
Third Dimension Apparel L.L.C.	General Manager	Ahmad Nuseirat
Classic Fashion Apparel Ind. Ltd. Co.	General Manager	Sanal Kumar
Al Masera	General Manager	Ahmad Bader Badrane
	Compliance Officer	Asma Al Azzam
Standard Jeans factory	Compliance Officer	Sreenath Puthanveedu
MAS Active	General Manager – Head of HR	Aruna Perera
Prestige Apparel Manufacturing Ltd	Compliance Manager	Khandokar Rezaul Karim
Hi-Tech Textile L.L.C.	HR & Compliance Manager	Qazi Parvaiz
Needle Craft Ltd. Jordan	Compliance Manager	Imran Ullah Khan
EAM Maliban Textile Jordan (PVT) Ltd. (Dulayl)	General Manager	Shakir Ismail
International British Garments Co. Ltd.	Compliance Manager	Mohammad Abu Hakmeh
	Financial Director	Dinesh Kaushik
	Marketing Manager	Jospreet
	Seals Manager	Shams
Ivory Garments Factory L.L.C.	Compliance Manager	Ravish
Century Wear	Financial Manager	Khalid Al-Shunaiwer
Tusker Apparel Ltd. Co.	General Manager	Amith Jayapalan
Vega Textile Ltd. & Camel	Compliance Manager	Lana Mubaydeen
Century Miracle	CEO	Benny
Jerash Garments & Fashions Manufacturing Co. Ltd.	General Manager	Baju
	Executive Manager	Oryana Awaisheh
Rich Pine	Compliance Officer	Chris Meng
	HR Officer	Zainab
Ramatex(Pine Tree)	General Manager	Muath Al Saaaydeh
	Compliance Manager	Saral Gurung
BWJ and ILO		
Better Work Jordan	Programme Manager	Tareq Abu Qaoud

	Team Leader	Ala'a Al Saifi
	Team Leader	Zainab Yang
	Finance Admin Manager	Reem Shalabi
	Enterprise Advisor	Maysa Al-Hmouz
	Enterprise Advisor	Yousef Najjar
	Enterprise Advisor/ Consultant	Mahenaw Wara
	Administrative Assistant	Ghada Al Janabi
	Enterprise Advisor/ Consultant	Muna Ali
	Enterprise Advisor	Rola Makhadmeh
	Communications Consultant	Elisa Oddone
	Finance Assistant	Hatem Ramdan
International Labour Organization	BWG Global Operation Manager	Conor Boyle
	Technical Officer	Alix Nasri
	CTA	Igor Bosl
	Senior Advisor	Phil Fishman
	ILO	Indr Gung
	National Project Coordinator	Niyam Rai
	CTA	Patrick Daru
	Chief Technical Advisor	Insaf Nizam
	Commnications Consultant	Nisreen Bathish Abou-Ragheb