

Facts on Thailand's Garment Industry

Key statistics:

Population (2014): 67,367,943¹

Employment in garment industry (2013): Total 824,500² up to 1,000,000³ employees in garment industry; and around 200,000 in the textile industry.⁴ The textile and garment industry is the second most important sector for employment.

Garment % of GDP: 12.3 percent⁵

Garment % of export: *no data found*

Value garment export (2013): 6 billion USD annually (4.7 billion EUR);⁶ expected 7.8 billion USD (6.2 billion EUR) by the end of 2014⁷

Percentage of the world market for garment (2009): Thailand's garment and textile exports make up 1.04% of the world market.⁸

Minimum wage (2013): 300 Baht per day⁹ (9.8 USD; 7 EUR)

Living wage calculation by Asia Floor Wage (2013): *none*

Background of Thailand:

- **Geography:** Thailand is located in Southeastasia with access to the sea. It shares borders with Burma, Malaysia, Cambodia and Laos. The main language is Thai.
- **Politics:** Thailand is a constitutional monarchy; in 2014 there was a military coup.
- **History:** It has never been colonised.
- **Economy:** Thailand is classified as a middle income country.

¹<http://worldpopulationreview.com/countries/thailand-population/>

²http://www.thaitradeusa.com/home/?page_id=2081

³<http://wideplusnetwork.files.wordpress.com/2012/10/firststoryofwomen.pdf>

⁴http://www.thaitextile.org/iu_backup/link_content/Market/SourceASEAN_Thailand_profile_100331.pdf

⁵http://www.textileworldasia.com/Issues/2007/March-April/Country_Profiles/Thailand-Textile_Industry_Profile

⁶http://www.textileworldasia.com/Issues/2007/March-April/Country_Profiles/Thailand-Textile_Industry_Profile

⁷<http://www.nationmultimedia.com/business/Higher-growth-in-garment-exports-seen-as-EU-recove-30230353.html>

⁸http://www.thaitextile.org/iu_backup/link_content/Market/SourceASEAN_Thailand_profile_100331.pdf

⁹<http://thediplomat.com/2013/01/thailand-introduces-nationwide-minimum-wage/>

Biggest issues in Thailand's Garment Industry:

- Discrimination of foreign workers
- Weak stand of trade unions
- Dependency on garment exports keeps wages down¹⁰

General economic data:

Producing factories, traders and retailers

Production	More than 2000 companies for garment ¹¹ and around 2000 for textile; ^{12 13 14 15} most factories are located around Bangkok and in Eastern Thailand ¹⁶
Trade	There are 82 registered garment export companies ¹⁷
Retail	Fruit of the Loom, Nike, Puma ¹⁸ and others

Exports

¹⁰ <http://www.scb.co.th/eic/doc/en/insight/SCB%20Insight-Dec%202009-EN.pdf>

¹¹ http://www.textileworldasia.com/Issues/2007/March-April/Country_Profiles/Thailand-Textile_Industry_Profile

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http://www.google.co.uk/url?sa=t&rct=j&q=&esrc=s&source=web&cd=9&cad=rja&uact=8&ved=0CFMQFjAI&url=http%3A%2F%2Ftraining.itcilo.org%2Fctrav%2Fcourses%2F2005%2FA3-50842_web%2Fwork%2Freport%2FThailand.doc&ei=uv2_U8eUFZPb4QSH94DADA&usg=AFQjCNGS_HG9X-GG3T0Uk36SSekp8gOmJA&bvm=bv.70810081,d.bGE

¹³ http://manufacturer.fibre2fashion.com/garment/country/Thailand/index.html?&Page=1_4

¹⁴ http://www.thaitradeusa.com/home/?page_id=2081

¹⁵ <http://www.gmdu.net/join-2-join-33-p1.html>

¹⁶ http://www.fairwear.nl/ul/cms/fck-uploaded/documents/countrystudies/othercountries/thailand/country_study_thailand.pdf

¹⁷

https://www.google.nl/url?sa=t&rct=j&q=&esrc=s&source=web&cd=1&cad=rja&uact=8&ved=0CCkQFjAA&url=http%3A%2F%2Fwww.dft.go.th%2FPortals%2F0%2FContentManagement%2FDocument_Mod685%2FA%2520list%2520of%25200registered%2520exporters%2520Apparel%2520lief%4025540325-1521410744.doc&ei=qS-hU4rtMcSW0AWus4DAAw&usg=AFQjCNHyaylnY79lNYAs-DiOgZPouKhDQ&sig2=db39Ft7fNOpH1Ybr3GIKRw&bvm=bv.69137298,d.bGQ

¹⁸ <http://www.fairlabor.org/affiliates?page=12>

	Textile or garments?	Total exports	Exports to US	% of total exports	Exports to EU	% of total export to EU
2013	Garments	7.48 billion USD ¹⁹ (5.8 billion EUR) ²⁰				
2012	Garments Textiles	7.2 billion USD ²¹ 4.2 billion USD ²²				
2008	Garments		1.4 million USD ²³ (1.1 million EUR) ²⁴	46% of all garments goes to US ²⁵	926 million USD ²⁶ (731 million EUR) ²⁷	30% of all garments goes to EU ²⁸

Imports

Thailand relies on importing cotton, yarn and fabric in order to produce garments and textiles. This has impact on the returns from garment exports.²⁹

	Textile or garments?	Total imports	Imports from US	% of total imports to US	Imports from EU	% of total imports to EU
2009	Textile and garments		245 million USD (193 million EUR) ³⁰		210 million USD (165 million EUR) ³¹	

¹⁹ <http://www.cybex.in/Exim-News/Thai-Garment-Exports-May-Touch-8798.aspx>

²⁰ <http://www.xe.com/currencyconverter/convert/?Amount=7400000000&From=USD&To=EUR>

²¹ <http://www.fibre2fashion.com/industry-article/48/4752/thailand-seeks-to-be-aseans-fashion-hub1.asp>

²² <http://www.fibre2fashion.com/industry-article/48/4752/thailand-seeks-to-be-aseans-fashion-hub1.asp>

²³ <http://www.emergingtextiles.com/?q=art&s=090220-thailand-country-report&r=free>

²⁴ <http://www.xe.com/currencyconverter/convert/?Amount=1400000&From=USD&To=EUR>

²⁵ <http://www.emergingtextiles.com/?q=art&s=090220-thailand-country-report&r=free>

²⁶ <http://www.emergingtextiles.com/?q=art&s=090220-thailand-country-report&r=free>

²⁷ <http://www.xe.com/currencyconverter/convert/?Amount=926000000&From=USD&To=EUR>

²⁸ <http://www.emergingtextiles.com/?q=art&s=090220-thailand-country-report&r=free>

²⁹ http://www.thaitextile.org/iu_backup/link_content/Market/SourceASEAN_Thailand_profile_100331.pdf

³⁰ <http://www.xe.com/currencyconverter/convert/?Amount=245000000&From=USD&To=EUR>

Local dependency on garments/ textile export

Thailand is very dependent on garment export, mainly because of a lack of domestic demand i.e. lacking domestic purchasing power.³²

Investment figures

Thailand is the second largest economy in Southeast Asia, with a lot of foreign investment, including from major multinational companies from OECD countries.³³

Turnover/profit

The yearly turnover of Thailand's garment industry is 6 billion USD (4.7 billion EUR), but it is slightly decreasing.³⁴

GSP³⁵

GSP is a system of tariff reductions for developing countries exporting to the EU. Thailand lost its GSP benefits in 2013 as a result of the World Bank's classification of the country in the past three years.³⁶

Cotton

Thailand's textile industry requires much more cotton than the country produces itself: 500,000 tons are needed per year, but only 10,000 tons are annually produced in Thailand. Thus, Thailand only provides for 2% of the raw cotton used in its textile industry.³⁷

Workers:

- **Textile workers:** ca 60,000 are directly involved in producing textiles and ca 100,000 are occupied with the tasks relating to the textile industry such as spinning, knitting, dyeing, etc.³⁸

³¹ <http://www.xe.com/currencyconverter/convert/?Amount=210000000&From=USD&To=EUR>

³² <http://www.euromonitor.com/apparel-in-thailand/report>

³³ <http://www.industriall-union.org/thai-unions-make-a-big-step-towards-unity>

³⁴ [http://www.textileworldasia.com/Issues/2007/March-April/Country_Profiles/Thailand-Textile Industry Profile](http://www.textileworldasia.com/Issues/2007/March-April/Country_Profiles/Thailand-Textile_Industry_Profile)

³⁵ <http://www.strongandherd.co.uk/news/2013-11-06/eu-gsp-scheme-from-january-2014/>

³⁶ <http://www.lexology.com/library/detail.aspx?g=1ca22b1e-f4a3-4a73-87d1-0d083bc384a4> > accessed 16 July 2014

³⁷ <http://www.cottonguide.org/cotton-guide/market-profiles-the-structure-and-characteristic-of-the-thai-cotton-market-a-macro-view/>

³⁸

<http://www.google.co.uk/urlsa=t&rct=j&q=&esrc=s&source=web&cd=9&cad=rja&uact=8&ved=0CFMQFjAI&url=http%3A%2F%2Ftraining.itcilo.org%2Factiv%2Fcourses%2F2005%2FA3->

- **Garment workers:** ca 850,000³⁹ are producing ready made garments. But there are many migrant workers in Thailand and many of them are illegal, so the official numbers on garment workers are probably not very precise.⁴⁰
- **Garment workers' stand compared to total workforce:** unclear

Trade Unions

TU Members: Only 5% of the garment workers are members of trade unions. However, trade unions are nevertheless very present in many factories, both private and state owned. Also, often workers form trade union-like organizations, e.g. special purpose labour groups.^{41 42}

TU Names: The three biggest labour unions in Thailand are Labour Congress of Thailand (LCT), National Congress of Thai Labour (NCTL), Thai Trade Union Congress (TTUC).⁴³ These three are the ILO's contacts. In total there are nine unions for the garment and textile sector.⁴⁴

Overview of relevant labour laws, international law and implementation:

Area	International Law	Ratified?	National Legislation	Implementation
General	There are several International treaties as well as International Labour Organisation	These instruments oblige Thailand to comply only if it has ratified them.	Rights and obligations derive from national legislation. The national	The rights granted and the reality are not always the same; eventually, the situation depends on the implementation.

50842_web%2Fwork%2Freport%2FThailand.doc&ei=uv2 U8eUFZPb4QSH94DADA&usg=AFQjCNGS HG9X-GG3T0Uk36SSekp8gOmJA&bvm=bv.70810081.d.bGE

³⁹

⁴⁰ http://www.fairwear.nl/ul/cms/fck-uploaded/documents/countrystudies/othercountries/thailand/country_study_thailand.pdf

⁴¹ <http://uglytruththailand.wordpress.com/2014/02/26/the-thai-working-class/>

⁴² http://www.fes-thailand.org/wb/media/documents/The%20Thai%20Labour%20Movement_Sakdina%20Chatrakul%20Na%20Ayudhya.pdf

⁴³ http://en.wikipedia.org/wiki/Category:Trade_unions_in_Thailand

⁴⁴ http://www.fairwear.nl/ul/cms/fck-uploaded/documents/countrystudies/othercountries/thailand/country_study_thailand.pdf

	<p><i>(ILO) Conventions that grant individual rights and obligations. The treaties that will be regarded are:</i></p> <p>ICCPR <i>(International Covenant on Civil and Political Rights);</i> ICESCR <i>(International Covenant on Economic, Social and Cultural Rights);</i> CEDAW <i>(Convention on the Elimination of Discrimination against Women);</i> CRC <i>(Convention on the Rights of the Child).</i></p>		<p>legislation referred to here is the Thai Labor Protection Act.⁴⁵</p>	
Forced Labour	<p>ILO Conventions 29 (1930)</p> <p>105(1957)</p>	Ratified		<p>When it comes to problems of illegal immigration and forced labour, Thailand is on a par with Afghanistan, Chad, Iraq and Niger.⁴⁶ Especially during peak season, workers are forced to stay overtime.⁴⁷</p>
	<p>ICCPR, Arts 2, 26</p> <p>ICESCR, Art 6</p>	ratified ICCPR and ICESCR		

⁴⁵ <http://www.ilo.org/dyn/natlex/docs/WEBTEXT/49727/65119/E98THA01.htm>

⁴⁶ <http://www.waronwant.org/attachments/WOW%20Migration%20Report%20low%20res.pdf>

⁴⁷ <http://wideplusnetwork.files.wordpress.com/2012/10/firststoryofwomen.pdf>

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<i>Non- Discrimination</i>	ILO Conventions 100 (1951) 111 (1958)	ratified (100)	Section 15 of the labour protection act 1998	Often, women are in a situation of disadvantage as opposed to their male colleagues. Also, migrant workers are often disadvantaged. ⁴⁸
	ICCPR, Arts 2, 26 ICESCR, Art 2(2) CEDAW, Art 1 CRC, Art 2	Ratified (1996) Ratified (1999) Ratified (1985) Ratified (1992)		
<i>Women</i>	CEDAW, Art 1 (and OP)	Ratified (reservation for Art 29)		Females often suffer from abuses at the workplace, mainly revolving around pregnancy issues. Moreover, often women get paid less for the same work. ⁴⁹
<i>Child Labour</i>	ILO Conventions 138 (1973) 182 (1999)	ratified	Section 44: The minimum age in order to employ a child is 15 years old in Thailand. ⁵⁰	In Thailand there is about 8% Child labour (5-14 years). ^{51 52}
	CRC, Art 32	ratified		

⁴⁸ <http://www.waronwant.org/attachments/WOW%20Migration%20Report%20low%20res.pdf>

⁴⁹ <http://www.ituc-csi.org/thailand-violations-of-all-core>

⁵⁰ <http://www.ilo.org/dyn/natlex/docs/WEBTEXT/49727/65119/E98THA01.htm>

⁵¹ http://ihscslnews.org/view_article.php?id=115

⁵² <http://www.ituc-csi.org/thailand-violations-of-all-core>

<p><i>Freedom of Association/Collective Bargaining</i></p>	<p>ILO Conventions 87 (1948) 98 (1949)</p>	<p>Not ratified</p>	<p>Section 96 prohibits anti-union discrimination and allows collective bargaining. However, there are no sufficient means for protection of these rights.^{53 54}</p>	<p>There are only a few factories with a collective bargaining agreement. Anti-union harassment is common.⁵⁵</p>
	<p>ICCPR, Art 22 ICESCR, Art 8</p>	<p>ratified</p>		
<p><i>Living Wage</i></p>	<p>ILO Conventions 26 131</p>	<p>Not ratified</p>	<p>Section 53 stipulates that the boss shall determine the wage.⁵⁶ The minimum wage 300 baht per day has to be respected.</p>	<p>Despite the Thai minimum wage being set, there are numerous cases of garment workers receiving less. For example, many Burmese migrant workers often get paid 40-60% less⁵⁷ and receive as little as 175 baht per day (around 5 USD)^{58 59} - officially they should get 300 baht (9.8 USD).</p>
	<p>ICESCR, Art 7</p>	<p>ratified</p>		

⁵³ <http://www.ilo.org/dyn/natlex/docs/WEBTEXT/49727/65119/E98THA01.htm>

⁵⁴ <http://www.ilo.org/dyn/natlex/docs/WEBTEXT/49727/65119/E98THA01.htm>

⁵⁵ <http://www.ituc-csi.org/thailand-violations-of-all-core>

⁵⁶ <http://www.ilo.org/dyn/natlex/docs/WEBTEXT/49727/65119/E98THA01.htm>

⁵⁷ http://www.fairwear.nl/ul/cms/fck-uploaded/documents/countrystudies/othercountries/thailand/country_study_thailand.pdf

⁵⁸ <http://www.ituc-csi.org/thailand-violations-of-all-core>

⁵⁹ <http://digitalcommons.ilr.cornell.edu/cgi/viewcontent.cgi?article=2764&context=globaldocs>

<i>Reasonable Working Hours</i>	ILO Convention 1	Not ratified	Section 23 prohibits more than 48 hours of work and more than 36 hours of overtime per week.	During peak season, excessive overtime is common because factory owners are reluctant to hire additional workers. ⁶⁰ During off-peak season the average is 7.7 to 10 hours a day ⁶¹
	ICESCR, Art 7	ratified		
<i>Safe Working Conditions</i>	ILO Convention 155	Not ratified	Section 103 says that the boss is responsible to provide for the workers' safety.	Women often fear for their safety at work, especially when they have to work long hours until late at night. ⁶²
	ICESCR, Art 7	ratified		

Other regulations on living conditions of workers:

The Social Insurance law

In Thailand, there is a fund providing for social insurance. This fund consists of contributions by the government, the employer and the insured person; each party has to contribute 3% of the insured person's salary. The insured is entitled to: injury or sickness benefits; maternity benefits; invalidity benefits; death benefits; child benefits; old-age benefits; unemployment benefits.⁶³ However, not all Thai people have insurance, but only around 75% do.⁶⁴ Migrant workers also often do not have insurance because many of them are undocumented or do not speak Thai.⁶⁵

Housing arrangements

⁶⁰ http://www.networkideas.org/feathm/jul2007/pdf/voravidh_charoenloet.pdf

⁶¹ <http://www.labourbehindthelabel.org/jobs/item/614-working-hours>

⁶² <http://wideplusnetwork.files.wordpress.com/2012/10/firststoryofwomen.pdf>

⁶³ <http://www.who.int/bulletin/volumes/88/2/10-010210/en/>

⁶⁴ http://publications.iom.int/bookstore/free/Financing_Healthcare_for_Migrants_Thailand.pdf

⁶⁵ <http://digitalcommons.ilr.cornell.edu/cgi/viewcontent.cgi?article=2764&context=globaldocs>

About half of the garment workers in Thailand live in dormitories on the factory ground. Especially migrant workers are often victims of being accommodated in overpriced and unhygienic houses; or their accommodation is provided for by the factory, but in these cases the factory keeps part of the salary.⁶⁶

Child care arrangements

Workers usually get 12 to 13 weeks of maternity leave which is in accordance with ILO standards; however, migrant workers are often being fired when they get pregnant and are therefore excluded from maternity leave.⁶⁷ Paternity leave is not common. Child care is usually not provided in the factories.⁶⁸

Food arrangements

ILO Conventions 14 (ratified by Thailand) provides for minimum weekly rest in order to take (food) breaks. The compliance situation is unclear.

Medical facilities

No data found

Living Wage vs Minimum Wage:

Area	Minimum Wage	Context	Living Wage
Bangkok	300 Baht per day (9.8 USD; 7 EUR); 7600 Baht per month (234 USD; 185 EUR). ⁶⁹ In reality, wages for Thai workers are often a little above the minimum wage, whilst migrant workers often get much less. ^{70 71 72}	- Food: ca 120 baht (per day) - Transportation: ca 20 baht (to the factory) - Rent: ca 800 baht (per month)	Around 10,000 Baht per month (308 USD; 243 EUR), so 2400 Baht more than the current minimum wage.

⁶⁶ <https://www.dvb.no/news/features-news/burmese-migrants-face-%E2%80%98systemic%E2%80%99-exploitation-near-border/28745>

⁶⁷ <http://www.cleanclothes.org/news/2013/08/29/migrant-workers-excluded-from-maternity-leave>

⁶⁸ <http://wideplusnetwork.files.wordpress.com/2012/10/firststoryofwomen.pdf>

⁶⁹ <http://asiafoundation.org/in-asia/2013/01/30/thailand-adopts-nationwide-minimum-wage-policy-amid-controversy/>

⁷⁰ <http://digitalcommons.ilr.cornell.edu/cgi/viewcontent.cgi?article=2764&context=globaldocs>

Provincial Areas and home workers	Officially 300 Baht per day, but in reality often lower, especially for illegal migrant workers. ⁷³		

⁷¹ <http://www.cleanclothes.org/issues/migrants-in-depth/stories/first-time-victory-migrant-workers-receive-minimum-wage-in-thailand>

⁷² <http://www.eldis.org/go/home&id=32806&type=Document>

⁷³ <http://www.philstar.com/business/2012-08-01/833539/thailands-minimum-wage-some-lessons-us>