

Myanmar Garment Manufacturers Association Statement on Recent US Tariffs

Yangon, 7 April 2025

The Myanmar Garment Manufacturers Association (MGMA) acknowledges the recent announcement by the Government of the United States of America on the levying of significant reciprocal tariffs on imported goods, including on textiles and apparel, to be effective by 9 April 2025.

We wish to highlight the following key points to responsible authorities and decision makers.

Myanmar will be subject to one of the highest tariff rates announced, at 44 per cent. This has caused considerable concern among our members and local businesses on not only the direct but also knock-on impacts of the measures. The impact will be severe on sectors such as garments, which form a key component of the two countries' business relations.

Amid Myanmar's current challenging context, the new tariffs will increase the vulnerability of Myanmar businesses that have been struggling to stay afloat. The recent devastating earthquake that struck on 28 March 2025, to which the United States and others have responded generously and for which we are genuinely and wholeheartedly grateful for, will only exacerbate the many challenges confronting Myanmar businesses and communities.

Dominated by private enterprises, the Myanmar garment sector is a key pillar of job creation and livelihoods in the country. It employs over 500,000 people, mostly young women. The United States is the fourth largest market for the Myanmar garment sector, and the US has played an important role in the sector's history. Previous political incidents led to the US severing garment orders from Myanmar in 2003, and it only took off after 2017.

The tariffs could lead to stinging job losses and to weaken business partnerships that tie the two countries' private sectors, and consumers, businesses or employees in either country will ultimately not benefit. The impacts also risk undermine the sector's long-standing efforts to address and safeguard labor issues.

The garment sector has struggled with various challenges through the years and previous shocks and measures have clearly demonstrated the unintended consequences. These included forcing workers into all manners of exploitation including demeaning work and trafficking.

While recognizing the evolving global trade environment, we wish to draw attention to Myanmar's particularly challenging situation. The MGMA strongly hopes that US will reconsider in levying a more lenient rate in light of the country's multiple crises and in the interests of businesses, consumers and workers in both the United States and Myanmar.

The Myanmar Garment Manufacturers Association