

# Defend Esquel and Aura workers jobs at the Koggala Free Trade Zone in Sri Lanka!

**Koggala Free Trade Zone Action Committee**  
14 September 2022

*The following statement was issued by the Koggala Free Trade Zone Workers Action Committee (KFTZWAC). Initiated by several employees from the Esquel and Aura Garment companies and other plants, the committee was formed on August 28 to fight escalating job cuts and attacks on working conditions in the FTZ garment and other manufacturing plants.*

*Within days of the action committee being formed the Brandix Garment plant announced on September 2 that it was temporarily closing. While workers were told that it would reopen after 10 days, it remains closed. Brandix employs about 50,000 workers in different facilities across Sri Lanka. On September 6, Fashion Garments, which employed about 200 people, shut down.*

*The KFTZWAC statement below was discussed and adopted unanimously by its members. It makes clear that the trade unions have taken the side of the companies and are operating against the workers. We call on garment workers in Sri Lanka and internationally to support the Koggala workers' demands and build their own workers action committees, independent of the unions, to take forward the struggle to defend all jobs and conditions.*

About 1,600 Koggala Free Trade Zone (FTZ) workers have lost their jobs following the closure in March of two factories owned by the Esquel (formerly Politex) company.

Free Trade Zone and General Workers Union (FTZGWU) general secretary Anton Marcus urged us to sign a company voluntary resignation letter. He falsely told us that the factories would be reopened within three months, and we would be reinstated.

Esquel gave us an utterly inadequate compensation payment. We now face disastrous social conditions, with many of us forced to pay between 12,000 and

15,000 rupees (\$US34–\$US42) in monthly instalments on bank loans and because of the skyrocketing cost of living.

Esquel closed its Everbest factory at Yakkala on June 29 last year and recently shut down its facilities at Ja-Ela Ekala and Kegalla, destroying about 4,000 jobs. These workers have also only received a pittance in compensation. This multinational company has also closed factories in Malaysia and Vietnam, wiping out thousands of employments in those countries.

Hundreds more jobs have been axed in the Koggala FTZ. Aura Garments closed in June this year, with management claiming it would reopen in September. It has now been shut indefinitely. Fashion Garments, which fired 108 workers in August, announced its closure on September 6, eliminating the jobs of over 200 workers on September 6.

The Brandix factory announced a 10-day closure on September 2, and workers from Unichela, Lanka Garment and Koggala Garment have told us that their factories will be shut in a similar manner.

While Esquel and other companies claim that they face a crisis in the world market, they make massive profits by increasing exploitation when the market is booming. Workers who are involved in producing these profits are not responsible for the crises of these capitalist corporations.

We recognise that the capitalist system in Sri Lanka is mired in a deepening crisis, but this is part of an economic disaster engulfing the entire world, deepened by the COVID-19 pandemic and the US-NATO proxy war against Russia in Ukraine.

The government of President Ranil Wickremesinghe and the capitalist class have thrown the workers into this social disaster. Now the government is accelerating a wider attack by implementing the austerity program

of International Monetary Fund (IMF).

According to IMF diktats, the Wickremesinghe government plans to axe around 850,000 public sector jobs, that is, 50 percent of an estimated 1.7 million positions. Hundreds of thousands of other jobs are to be axed through the restructuring and privatisation of government institutions.

The government and employers are imposing the burden of this economic crisis on workers with the complete support of the trade unions.

Anton Marcus's FTZGWU has played a treacherous role by supporting the shutdown of Esquel factories and the axing of hundreds of jobs. The FTZGWU has refused to organise any struggle to defend these jobs, despite accepting in advance that these factories would be closed.

When Everbest workers in Yakkala began a struggle to safeguard their jobs, the union betrayed it, opening the way for management to fire the workers. We strongly denounce the treachery of Anton Marcus and the FTZGWU in facilitating the job cuts.

When COVID-19 first hit Sri Lanka, all the private sector unions, including the FTZGWU, Sri Lanka Nidahas Sewaka Sangamaya, Ceylon Mercantile and General Workers Union, Janatha Vimukthi Peramuna (JVP)-controlled Inter Company Employees Union and the United Federation of Workers, supported the government and companies, forcing employees to work without proper health facilities.

Under the pretext of the COVID-19 pandemic, they also supported wage and job cuts. The public sector unions have followed the same line. They all now support the new round of IMF attacks.

We understand from our own experiences that the trade unions have been transformed into agents of the employers and the government. The only way to defend and win our rights is through the mobilisation of our own strength.

That is why we have decided to organise ourselves in action committees, independent of the trade unions and to call for the support of the workers in Sri Lanka and internationally. To forge our unity with the international working class we are ready to coordinate our work with the International Workers Alliance of Rank-and-File Committees.

We present the following demands:

\* The right to a job for all fired Esquel Workers or

payment of full compensation!

\* Other companies in the FTZ must immediately lift their bans on hiring Koggala Esquel garment workers!

\* Abolish the debts of all garment workers, including those from Esquel, who cannot repay them because they have lost their jobs!

\* The immediate reopening the Aura Garment factory and guarantee the right of all workers to jobs!

\* The unconditional reinstatement of all Fashion Garments workers!

\* Increase the minimum basic monthly salary of all garment workers to 75,000 rupees! Raise all wages in line with the cost of living! Pension rights and fully paid medical leave for all!

\* The provision of decent housing, health and education facilities with piped water, electricity, and a safe environment for all!

We urge all workers who have lost their jobs at Esquel, Fashion Garments, Aura and other garment workers in Sri Lanka to support this struggle for jobs, wages and other social rights. We must also fight to end the brutal working conditions of workers in Malaysia, Vietnam, China, Bangladesh, India, Nepal, Pakistan, and other countries.

The Socialist Equality Party, which helped us establish our action committee, has pointed out that our problems cannot be solved under the capitalist system. It is fighting for a Democratic and Socialist Congress of Workers and Rural Masses based on delegates from action committees in the struggle for a workers' and peasants' government to nationalise the big corporations, large banks and estates under workers' democratic control.

We accept that this program is necessary to overcome the life-and-death questions now facing workers and the poor, and will do everything we can to help you build action committees at your workplace, factory or working-class neighbourhood.



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