

# Sri Lanka: Brandix factory locks out 1,500 workers protesting against bonus cut

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On November 30, Brandix Essentials, an apparel manufacturing company in the Koggala Free Trade Zone (KFTZ), locked out about 1,500 workers after they stopped work to protest the slashing of their annual bonus by half.

The factory management informed workers two days earlier their bonus would be cut because the factory was running at a loss. The next day workers refused to work and gathered in the factory canteen demanding full payment of the bonus. After employees went home, management informed them by text message that the factory was closed indefinitely.

Fearing job losses, some workers declared they would accept the pay cut. Management, however, told them to send a letter accepting that they had made a mistake by refusing to work. Workers rejected this directive.

Yesterday, officials from the Board of Investment, the government body overseeing foreign investments, met with management and the employees' council at the factory. They reached an agreement to call workers back to work, but only if they accepted the company would pay only half of the bonus.

The so-called employees' councils in free trade zone factories are not workers' organisations. They are set up through elections controlled by management and they typically side with the company.

Brandix is one of the largest multinational apparel companies in South Asia, with 53,000 workers at 23 factories in Sri Lanka, four in India and one in Bangladesh. According to Owler.com, the company's income increased 4.9 percent from \$US782 million in December 2021 to \$820 million in August 2022.

The Koggala factory, however, had been closed for 10 days from September 2 because of lack of orders.

A worker at Brandix Essential opposed the bonus cut, telling the *World Socialist Web Site*: "We are living

with enormous difficulties with surging cost of living. I have two school-aged children. I hoped to buy shoes and school books for them with the bonus. When I heard that the full bonus would not be paid this time I was shocked. When the factory was closed I thought we would also lose our jobs."

A production section employee gets only 28,000 rupees (\$US106) a month, while maintenance workers receive 35,000. The annual bonus is equal to a month's wages.

A maintenance worker said he had refused management's demand to apologise in writing for refusing to work without the bonus. "It is very wrong of the company to not pay the full bonus. Management says the factory is running at a loss this year. But we know how they amassed profits in the past period."

The lockout is a part of a broader attack on the jobs, wages and working conditions of the garment workers in Sri Lanka and internationally.

A worker from Unichela Garment told the WSWS that their daily working targets were recently increased to an impossible level.

She said: "If a worker is unable to achieve targets or makes any mistake during production, management demands a letter from the worker accepting the mistake. After three such letters, the worker is dismissed.

"Recently a supervisor broke the glass on a board displaying work targets because a production line leader forgot to record their targets. The production leader was injured by a piece of glass hitting his face and had to be hospitalised. We are compelled to work even during tea breaks and meal breaks in order to reach the targets."

Unichela is owned by the MAS Holdings Company, which employs 93,000 workers in 17 countries and

69,000 in Sri Lanka in different facilities.

Over the past two years, the Sri Lankan Esquel Company closed its factories in the KFTZ, Yakkala, Jaela Ekala and Kegalle. Between July and October, Aura and Trend Setters closed three factories in the KFTZ and Beliatta without paying arrears owed to workers. About 7,500 people lost their jobs in these closures.

The Sri Lanka Apparel Exporters Association (SLAEA) has warned that apparel exports will drop by 30 percent in November and December. Its president Indika Liyanahewage said the US and Europe, Sri Lanka's main markets for garment exports, are under inflationary pressure that is plunging them into recession. He added that the "global headwinds" will continue to impact exports in the first six months of next year.

He complained that corporate taxes recently imposed by President Ranil Wickremesinghe's government, and the increase in tax on exports from 14 percent to 30 percent, posed the threat of increased competition from other garment-exporting countries, especially Bangladesh and Vietnam.

Rising raw material prices and shortages, falling demand and lack of orders have all been exacerbated by the COVID-19 pandemic and the US-NATO war against Russia over Ukraine. Garment manufacturers and exporters are responding ruthlessly by passing the burden of the crisis onto workers.

An estimate in 2020 put the number of workers directly employed in the garment industry at 350,000, with another 700,000 employed indirectly.

According to an International Labour Organisation (ILO) report released in October 2020, hundreds of thousands of garment and textile workers' jobs were destroyed in Asia.

The working class faces these attacks while the Wickremesinghe government is imposing savage austerity measures dictated by the International Monetary Fund. These include raising the prices of essential goods, increasing taxes on workers, cutting social spending and privatising public sector enterprises.

The trade unions, including the Free Trade Zones and General Services Workers Union (FTZGWU), have already collaborated with the Esquel Company in the retrenchments, compelling workers to accept so-called

voluntary retirement with minimal compensation.

The FTZGWU, the Commercial, Industrial and General Workers Union, and the Inter-Company Workers Union, controlled by the opposition Janatha Vimukthi Peramuna (JVP), supported the government and corporate attacks on jobs and wages during the pandemic. These organisations are tools of big business that uphold profits, not workers' rights.

A worker employed at the Aura factory told the WWS: "It is very difficult to survive after the loss of a job. There has been no investigation regarding the complaint made to the labour office about the dismissals and non-payment of wage arrears. Workers got temporary jobs in other places at lower wages.

"It is clear that workers cannot solve their problems under the capitalist system. We have to fight for our rights. We need to organise for that."

She called on workers in Koggala and all free trade zones and other workplaces to form independent action committees to organise a united struggle to defend jobs and wages and fight for improved working conditions.

The worker is a member of the Koggala Free Trade Zone Action Committee recently formed at the initiative of the Socialist Equality Party (SEP).

The SEP is calling for the formation of action committees in every workplace and working class neighbourhood and among rural workers, independent of trade unions, capitalist parties and their pseudo-left apologists. Building such committees will provide a basis for workers to fight in defence of their living conditions and democratic rights against the assault of the Wickremesinghe regime.

The SEP is campaigning to build a Democratic and Socialist Congress of Workers and Rural Masses, based on delegates from workers' action committees, to lead the fight for a workers' and peasants' government based on a socialist and internationalist program.



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