

The Thai government has defended the labor practices of the Natural Fruit Company, which continues its US\$10 million libel case against British human rights campaigner Andy Hall. 

The case caught international headlines in April, when the canned tropical fruit producer took legal action against Hall for "broadcasting false statements to public media", [disputing allegations it had employed underage labor and confiscated the passports of migrant workers from Myanmar \(Burma\)](#).

The allegations were published in the Finnwatch report "Cheap has a high price: Responsibility problems relating to international private label products and food production in Thailand".

As a response to a letter from Burma Campaign UK, the Royal Thai Embassy in London said the government was fully supportive of the work of all NGOs, and respected the promotion and protection of human rights for all. It highlighted the Natural Fruit Company's right to file against Hall, as well as his right to defend himself under Thai law.

"Under Thailand's judicial system, the charges brought against Mr. Andy Hall by the Natural Fruit Company are between two private entities and are now being considered by the Court as to whether the case will be accepted or dismissed," the response said.

"The Royal Thai Embassy has full confidence in Thailand's judicial system in delivering justice to both parties."

The response emphasized that the allegations were checked through an inspection by the Ministry of Labor without delay, and the results were attached in the letter.

### **Government inspection results**

The inspection took place on Jan. 28, a week after the "Cheap has a high price" report was published, with interviews of factory manager Sukit Koyawanich, a human resource staff member and six Myanmar workers, along with monitoring "relevant documentation and other evidence".

The document mentioned the company employed a total of 854 employees of which 610 were Myanmar citizens.

The report did not state whether the company received prior notification that the inspection would be taking place, but included a response to nine allegations against the company in

which it denied many of Hall's allegations and also urged the company to make some changes.

The ministry then conducted a follow-up visit on Feb. 4 to ensure its suggestions and instructions were implemented.

"The labour inspection did not find any child labour below the age of 18. According to the 6 Myanmar workers interviewed, none of the workers saw child labour employed in the company," it said.

"It could be the case that the children of the Myanmar workers seen were visiting their parents at the company during their school holidays. Even so, these children would not be allowed in the factory's compound in any case."

The report said worker pay slips showed the wages paid to workers had been no less than THB300 (US\$9.32) per day since Jan. 1, 2013.

"The company pays overtime compensation at the rate of 1.5 times the hourly wage rate. However, the company rounds down the decimals in their calculation of overtime compensation. The labour inspection then instructed the company to refrain from rounding down the decimals in order for the workers to receive their overtime compensation in full," the report said.

In terms of allegations over confiscated passports, the employer admitted it kept some workers' passports but only upon workers' requests.

"In general this practice is for convenience in responding to the tri-monthly inspection by the Immigration Bureau. Every worker who requests the company to keep his or her passport has to submit a signed document stating such a request. Workers who wish to keep their own passports are free to do so.

"All workers were aware that a fee of 6,010baht (US\$186), to be paid by the workers' was required for passport issuance. The company paid the required fee in advance and at present all workers had already paid back the company in full."

In terms of allegations over deductions for various fees, the report said the company provided free water but had prior agreement with workers that it would charge electricity fees according to the types of appliances they used.

"All workers were fully aware that they were responsible for the electricity fee, and agreed

to allow the company to deduct the electricity fee from their wage. However, there is no written document spelling out such an understanding.

"The company used to arrange free transportation for workers, incurring an expense for the company of 30 baht/worker/day. However, as of 1 January 2013, the company has discontinued the free transportation service."

The ministry said both the company and employees informed the labor inspector that there was no forced overtime.

"The company's record showed that some workers had more than 36 overtime hours per week. The company explained that these workers were assistant technicians who had to wait for the production line to stop before inspecting the machines."

In monitoring allegations of insufficient toilets and overtime pay deductions for extended toilet use, the inspectors found 23 toilets and six urinals.

"Per the labour inspector's suggestions, the company installed additional toilets and urinals to comply with the relevant regulations.

"The company allowed each worker 3 - 15 minute toilet breaks per day, except for workers whose health conditions required them to use the toilet for longer than the designated time period, in which case the supervisors are to be informed."

In the case of work-related accidents, the report mentioned that injured workers were given full wages for the first three days off after an accident despite the fact workers are already entitled to a payment from the compensation fund in case they take more than three days off from work.

### **Finnwatch's response**

In a letter to Thai Ambassador to the U.K. Rachanant Thananant, Finnwatch and the Finnish League for Human Rights said the inspection report did not include a comprehensive description of the research methods applied.

"Thai labour officials' report includes six worker interviews. The Finnwatch report is based on the interviews of 12 workers. Even though the sample was relatively small compared to the overall workforce of the said factory, we believe that the consistency of the worker testimonies lends credence to our conclusions," the letter said.

"For the Finnwatch report, workers were interviewed anonymously outside the factory area. Company management was not informed of the interviews taking place. This method was chosen because we believed that it allowed Finnwatch to obtain more credible information on the conditions at the factory. The interviews have been recorded."

To gain a better understanding of the inspection's methods, Finnwatched asked:

- Was Natural Fruit factory management notified of the audits beforehand?
- Was factory management aware of the identities of the workers interviewed?
- Were factory management or other administrative personnel present when the worker interviews took place?
- Who chose the workers interviewed for the report and based on what criteria?

The letter said Thai labor officials' findings with regard to child labor were in "large part" dependent on the research methods used.

In terms of wage payments, Finnwatch asked whether auditors had also assessed wages in 2012, which was when its own surveys had taken place.

"The report does not describe whether overtime compensation has been in accordance with official legislative standards since the beginning of 2013 or the practices adhered to during 2012. The workers interviewed by Finnwatch stated that their overtime compensation was unlawfully low, merely 30-35 baht per hour.

"The report notes that Natural Fruit has not paid appropriate wages for days when there has not been enough work for a full day. Has the company compensated such unlawful pay deductions to the workers?"

Finnwatch alleges passports were taken from workers contrary to their wishes.

"They [interviewed workers] also reported that the company did not return their personal documents even when explicitly requested to do so. Workers that did get their personal documents back had to leave a considerable amount of money as deposit. In this regard Thai labour officials' report is in contradiction with Finnwatch's findings.

"The 6,010 baht passport fee mentioned in Thai labour officials' report is unreasonably high and inconsistent with standard fees for passports and residence permits.

"Thai officials' report states that there are undocumented workers working at the factory. According to Thai legislation, hiring undocumented migrants is illegal."

The letter also mentioned several additional issues in its original report that remained unaddressed by the government's inspection report.

"Finnwatch and the Finnish League for Human Rights would like to ask Thailand's authorities to provide clarifying information concerning the questions above."

### **Hall's response**

Hall told [www.freshfruitportal.com](http://www.freshfruitportal.com) he stood behind the accuracy of his reporting in the Finnwatch report.

"For me, I can only say I stick 100% behind the validity of my reporting of the violations at Natural Fruit that migrants reported to me," he said.

[www.freshfruitportal.com](http://www.freshfruitportal.com)