PRESS REVIEW 1/2020



Garment factories opening despite potential loss of EBA deal: report

Garment factories continue to open in the Kingdom despite the looming threat Cambodia faces of losing its Everything-but-arms (EBA) status with the European Union, a report published recently notes.

According to 'ASEAN Investment 2019', 17 garment factories were established in Cambodia in the last two years, generating 11,502 jobs in the sector.

The investors were from Hong Kong, Japan, Singapore, China, and Australia, the report shows, noting that the factories produce handbags, wallets, sportswear, t-shirts and jackets, among other products.

In the 2018-2019 period, Australian-based QLM opened a \$1.5 million facility as a base to expand into other emerging markets.

Chinese firm Shenzhou International Group Holdings, meanwhile, started building a \$150-million garment factory, which should be completed in 2021, inside Phnom Penh Special Economic Zone. The firm is a major Nike supplier.

Ken Loo, secretary-general of the Garment Manufacturers Association in Cambodia (GMAC), told Khmer Times that growth in garment exports has been relatively stable but that it will likely decline this year.

Last year, garments and footwear exports were valued at \$10 billion, up 24 percent from \$8 billion in 2017, according to a report from the National Bank of Cambodia. Without the EBA benefits, Cambodia is looking at an annual loss of \$513 to \$654 million, the World Bank predicts.

The Kingdom has benefited from its EBA status in the European Union since 2001. Under the EBA, all Cambodian goods, except arms, enter the bloc tariff and quota-free. The EU is scheduled to announce a final decision on the matter in February 2020.

Khmer Times (Chhut Bunthœun) 4/12/19

China textile group launched to bolster garment sector

China Textile Association in Cambodia (CTAC), a new association to bolster the garment sector, will provide legal advice to investors and those considering to invest as well as liaise with the government, public officials said at the event.

CTAC's services will particularly target Chinese investors. Cambodia has 663 factories. Of these, 520 manufacture garments, while 83 make footwear. The rest produce bags. The industry employs about 800,000 Cambodians, 80 percent of whom are women, according to the Ministry of Industry and Handicrafts.

A report last year from the National Bank of Cambodia showed that Cambodia's garments and footwear exports were valued at \$10 billion, up 24 percent from 2017's \$8 billion. The majority of buyers are in the European Union and the United States.

Khmer Times (Chhut Bunthœun) 29/10/19

Patrick Murphy praises ministry for expanding BFC programme

United States Ambassador Patrick Murphy has lauded the Kingdom's efforts in strengthening labour conditions by expanding the Better Factories Cambodia programme to also cover travel goods production. "Happy to see Better Factories Cambodia expand its labour rights programme to travel goods," he said. BFC was created in 2001 as a unique partnership between the United Nation's International Labour Organisation and the International Finance Corporation, a member of the World Bank Group.

The programme engages with workers, employers and governments to improve working conditions and boost the competitiveness of the garment industry. Last month, BFC was extended for another three years and expanded to cover travel goods.

Khmer Times (Sen David) 6/12/19

Garment workers stage protest after factory ceases operations

Nearly 500 garment workers of Sees Global (KH) Limited in Kandal province's Khsach Kandal district are staging daily protests to seek compensation after management announced the factory was sold to another company.

Seang Rithy, Cambodian Youth Power Union League president, yesterday said that 500 out of the company's 700 workers have been staging the protests since December 14 to ensure that they are compensated.

He noted that the company last month announced its closure and said the new owner planned to set up a factory in another part of the province.

"When the company announced it was shuttering operations, it did not mention compensations and other benefits and that is why the workers are protesting," he said, noting that that company cannot escape paying the workers even though it was closing down.

"The workers have been on strike since December 14 and if there is no solution soon they will go to the Prime Minister's house to seek intervention," he noted. Mr Rithy also claimed that while the workers were protesting on Wednesday, a group of men attacked them and three workers were injured.

Khmer Times (Sen David) 20/12/19

Garment workers blocked from rallying in Phnom Penh

Nearly 500 garment factory workers in Kandal province yesterday were prevented from rallying in front of Prime Minister Hun Sen's home in Phnom Penh. They have been rallying in front of their factory over missing wages and benefits since December 14, when their employer Sees Global Cambodia Limited shuttered operations.

Khmer Times (Sen David) 24/12/19

Shuttered factory promises jobs for workers in new company

Sees Global Limited has agreed to several demands made by workers in Kandal province who have been protesting for several days, according to a unionist. Since December 14, nearly 500 garment workers have been staging protests to demand compensation after Sees Global shuttered its factory in Khsach Kandal district. On Monday, the workers sought Prime Minister Hun Sen's intervention in the capital but were blocked by local authorities before leaving the province.

They planned to hand a petition to Mr Hun Sen, but their convoy of six trucks and many motorcycles was stopped in Mok Kampoul district.

Seang Rithy, president of Cambodia Youth Power Union League, said after the meeting that Moon Hyun-ee, a South Korean national representing the company, assured the workers that they would be absorbed into a new company. He noted that the representative also assured them that they would be paid seniority and other benefits.

Khmer Times (Sen David) 25/12/19

Workers faint in Svay Rieng shoe factory: Officials

More than 40 workers at the Kingmaker Footwear factory in Svay Rieng province fainted yesterday evening, and the authorities are baffled at what caused it, said government and union officials.

The factory produces shoes and it is located in the Manhattan Special Economic Zone in the province.

In July, 36 garment workers fainted at the New Fuma Costume factory in Phnom Penh's Por Senchey district due to exhaustion.

Last year, Labour Minister Ith Samheng issued 11 guidelines for factory owners to follow to prevent workers from passing out.

Khmer Times (Mom Kunthear) 25/12/19

PM asks landlords to freeze rent for garment workers

Speaking during a graduation ceremony at the Royal University of Law and Economics in Phnom Penh, Mr Hun Sen said that garment and footwear workers' salaries are slated to be increased from \$182 to \$190 next month.

"Again, I want to continue to appeal to all landlords not to raise your rents beyond what workers receive. Workers' minimum wages have increased by only \$8, but some rental rooms increase by \$10," Mr Hun Sen said. "So, local authorities have to work out this issue with the landlords to ensure that the workers receive real benefits from an increase of the minimum wage."

Labour Ministry spokesman Heng Sour yesterday said "I would like to ask all garment workers to report to local authorities if such a problem happens," "If any landlords are not satisfied with this, we will solve the problem according to the law."

Khmer Times (Mom Kunthear) 27/12/19

NSSF paid out \$7.3 million to garment workers who had babies

The National Social Security Fund has paid out about \$7.6 million to garment workers who delivered babies last year, a 19 percent increase from the amount given in 2018, according to its report.

The NSSF report released on Thursday said last year 77,449 workers delivered 77,966 babies, including 509 twins.

It said NSSF in 2018 handed about \$6.5 million given to 65,054 workers who delivered 65,534 babies.

"It has been more than two years since Prime Minister Hun Sen decided to provide the additional aid to female workers, both in the formal and informal sectors, who are qualified for NSSF benefits," the report said.

Khmer Times (Mom Kunthear) 13/1/20

Textile factories to enter 4.0 era

Global fashion-technology platform Zilingo has collaborated with the Garment Manufacturers Association in Cambodia (GMAC) and the Cambodia Garment Training Institute (CGTI) to bring a new form of digitisation to Cambodia's garment factories.

Zilingo, an India based firm provides global fashion-technology production software and technology.

Zilingo's presence in Cambodia is to introduce proprietary production software which will help Cambodia's garment factories increase efficiency and reduce defects. The software allows factories to use real-time production data to produce actionable performance reports that will help factories improve efficiency and productivity. It also allows for quality control and production staff to identify garment defects and other faults.

"In the Industry 4.0 era, we are observing the progressive pace of automation and digitisation across our factories. Automated machines are increasingly being used in most factory processes, including designing, pattern making, cutting, printing, embroidery, sewing and quality control," said Kaing Monika, GMAC deputy general secretary.

Khmer Times (Sok Chan) 15/1/20

Worker reps, factory management to meet today over missing wages

Representatives of workers and factory management are set to meet today after about 1,000 workers of Dignity Knitter Limited in Kandal province's Sa'ang district went on strike to demand their missing wages. Pin Sophea, president of the Coalitions of Cambodian Apparel Workers' Democratic Union at Dignity Knitter factory, said yesterday about 1,000 workers went on strike on Thursday and Friday after the factory's management team failed to pay their December wages and seniority pay which was due on January 8.

If no solution is found today Jan 20, the workers will pursue their strike.

Khmer Times (Sen David) 20/1/20

More than 40 garment workers faint

41 garment workers at the Vonammy factory in Takeo province's Bati district fainted this morning while working.

According to report of National Social Security Fund last week, thirteen cases of fainting among garment workers occurred in factories last year, compared with 17 cases in 2018.

NSSF said that fainting occurred in 11 factories across the Kingdom in 2019 in which 831 workers fainted. It also said that 37 percent of fainting cases stemmed from psychosocial issues, 19 percent from physical problems, 19 percent from chemical fumes, seven percent from mechanical problems and four percent from overtime work.

Khmer Times (Sen David) 21/1/20

Unexplained fainting spells of garment workers in Takeo yesterday morning

Phoun Chhim, Bati district governor, said 41 workers from Vonammy Cambodia Garment, in Takeo province, fainted at 8am and the authorities are baffled at what precipitated the incident.

The NSSF said its officials visited 34 factories to educate more than 2,600 garment workers about sanitation, workplace safety, labour conditions and social security benefits. Preventive measures should help tackle the problem of fainting.

Khmer Times (Sen David) 22/1/20

Workers given 5 days off after fainting

Mol Vicheat, a provincial deputy governor, said yesterday that nearly a hundred workers fainted on Tuesday and Wednesday, adding that some have recovered while others are still receiving treatment at the provincial referral hospital. He said doctors have determined that the workers fainted due the poor ventilation in the factory.

"Provincial authority suggested that company allows the workers to have rest until January 27 to recover from the oxygen deprivation," Mr Vicheat said.

Moeng Viriya, provincial labour department director, yesterday said that officials inspected the factory and found that its exhaust fans were dirty, leading to poor ventilation.

"We suggested to the company to clean the fans to improve ventilation," he said.

A National Social Security Fund report said last week, fainting cases occurred in 11 factories last year, a decrease of more than 60 percent compared with cases in 17 factories in 2018.

It noted that last year 831 workers fainted, 822 of whom were women.

Khmer Times (Sen David) 23/1/20

Phnom Penh Extravaganza

Last Friday was a great night for fashion as Nata Footwear presented its new collection to welcome the upcoming 2020.

US pressure may push Abe to revise Constitution US President Donald Trump's criticism of security arrangements with Japan may push Prime Minister Shinto Abe to revise the country's pacifist stand.

Khmer Times (Sen David) 20/12/19

Union to protest Labour Law amendment

Last week, Labour Minister Ith Samheng formed a working group with representation from employers, government and workers tasked with discussing amending the Labour Law articles.

The amendment will include Articles 144, 162 and 300, night-shift and day-shift wages and public holiday policy. It will also incorporate the scope of the Arbitration Council to resolve an individual dispute in Article 300.

Rong Chhun, president of the Cambodian Confederation of Unions, said during the 16th death anniversary of Chea Vichea, former leader of the Free Trade Union of Workers, that he is ready to protest against the amendment as it impacts workers' benefits.

"The Labour Ministry ammended article 144 by reducing 150 percent of the wages for night-shift workers to 130 percent in 2007. Now it wants to have the same article ammended by reducing 130 percent to 100 percent which is equal to day-shift workers," Mr Chhun said. "Our last choice is to go on strike or demonstrate." "I demand the tripartite committee keep the article intact. I want the government to reconsider their decision," said Ath Thorn, president of Cambodian Labour Confederation. "The ministry has already clarified that workers currently employed in enterprises or establishments are unaffected by the Labour Law amendments," said Labour Ministry spokesman Heng Sour

Khmer Times (Mom Kunthear) 24/1/20

750,000 jobs put at risk in apparel, footwear, travel goods, says GMAC

A letter, signed by apparel brands and labour rights organisations addressed to Prime Minister Hun Sen urging the government to amend the Cambodian Trade Union Law, was considered by GMAC to call into question the credibility of Cambodia's apparel, footwear and travel goods sectors, which in return would affect the livelihood of the 750,000 workers in Cambodia who are reliant on the sectors.

"The proposed amendments listed in the attachment to the January 22 letter do not raise points determinative of whether the fundamental principle and the right of freedom of association is established in our sector," stated the GMAC. The response by the GMAC noted that while Cambodia has had its share of problems related to the sector, as pointed out in a report by the International Labour Organisation (ILO), the association recognises that much work is still needed in order to improve labour and living conditions, despite the government's achievement in increasing wages and social security benefits.

Additionally, an associated news release also says that in comparison with neighbouring countries Myanmar and Vietnam, the Kingdom has three trades union confederations with a membership of more than 500,00 workers who are affiliates of the International Trade Union Confederation.

Myanmar has one affiliate with 10,000 members while Vietnam has none.

"Cambodia has also 10 unions affiliated to the industrial global union that represents the interest of workers in the garment and footwear sector globally," GMAC states. The news release also states that GMAC's partnership with the ILO to establish the Better Factories Cambodia. Additionally, GMAC highlights that one of the aims of the establishment of the ILO programme with the Arbitration Council is to play a key role in industrial relations dispute settlement in the country.

Khmer Times (Poovenraj Kanagaraj) 30/1/20