



PRESS REVIEW
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Garment sector torn over wage hike

Both the hike in the garment industry minimum wage and the recent political deterioration, perceived as a threat to the future of democracy in Cambodia, have received mixed responses from international businesses operating in the Kingdom's lucrative garment sector. While some of the largest apparel giants sourcing from Cambodia have shown widespread support for the wage increase, smaller companies lament the anticipated loss of profitability and all businesses fear increased political tensions.

The latest minimum wage boost passed last month for garment workers will increase monthly wages from \$153 to \$170 in 2018, an 11 percent year-on-year increase. But most garment giants seem untroubled by the potential loss of overheads incurred by the salary hike.

Ulrika Isaksson, press officer for Swedish company H&M, said that the brand welcomed the new law, claiming the company is in favour of higher minimum wages to support garment workers.

"Rebecca Maund, senior brand and corporate public relations manager of British retailer Debenhams, responded similarly.

Eric Tavernier, CEO of French-based textile firm We Group Ltd, admitted the increase in the minimum wage has made him question continuing operations in Cambodia.

He argued that the new wage law would see the Kingdom lose its edge in an already competitive sector, adding that his factory in China is three times more efficient and his factory in Vietnam has better oversight, shipping and market flexibility than his Cambodian facility.

While Tavernier does not have immediate plans to shutter his Cambodian factory, a further increase in political ten-

sions as the national election draws near could see him pull his investment.

"I worry about the next six months, about shootings in the streets and riots. At first I was very scared when I read the political news in Cambodia, but now I think we will just close," he said. "It's a big punishment to the country [for factories to shutter operations], and I'm not saying I'm expecting to close my Cambodian factory yet, but I am concerned."

A joint global statement from the Clean Clothes Campaign, Workers Rights Consortium (WRC) and International Labor Rights Forum released last month pleaded with Western apparel giants sourcing from the Kingdom to take a stance against the recent political crackdown.

The statement cited three trends of escalating political repression as grounds for multinational corporations to make a stand in Cambodia. These included the unjustifiable arrest of opposition leader Kem Sokha in September on charges of treason, the forced closure of NGOs and the silencing of independent media outlets preceding a heated election year.

Globalised apparel companies have been making moves to raise human rights standards in the garment industry for years through organisations like the Ethical Trading Initiative (ETI) and the International Labour Organization's Better Factories Cambodia programme.

However, these businesses are not known to engage in politics outside their sector of operations.

While ETI's Executive Director Peter McAllister said he believes overall political stability is important for investment in Cambodia, none of the goals pushed forward by the organisation have tackled brewing political uncertainties raised by the WRC.

"It is important to allow NGOs, trade unions and other civic institutions to operate freely and effectively so

that they can make a positive contribution to the wider business environment," he said.

Individual firms from ETI's 17 members in Cambodia have voiced alarm over the political climate.

"We're deeply concerned by the ongoing political situation in Cambodia," said Gap Inc representative Laura Wilkinson.

Katrin Ehrenberg, communication specialist for global apparel company C&A, said that the political climate could force the brand to source elsewhere.

[Phnom Penh Post \(R. Spiess\) 2/11/17](#)

Labourers seek benefits

Construction workers are demanding the government protect them like garment workers.

The Building and Wood Workers Trade Union Federation of Cambodia has renewed its call for a meeting with Prime Minister Hun Sen because its members need the government to take care of them.

The federation said it needed the government to provide benefits for them, too. Construction workers had many difficulties such as no minimum wage.

It said an estimated 190,000 to 200,000 workers in the building and wood sectors did not have enough safety protection or National Security Fund benefits.

Federation secretary Yann Thy said the August letter would be sent again next month on Human Rights Day. "We are still trying to get the government to take care of construction workers because they are at risk of injuries at work almost every day," he said.

He said some construction sites hid information when workers were injured.

In July, the federation conducted a survey that found more than 90 percent of construction workers in the capital did not get paid holidays.

More than 90 percent also said they were unaware of the National Social Security Fund, while 12 percent reported working on very unsafe sites where injuries were common.

[Khmer Times \(Sen David & Chor Sokuntha\) 7/11/17](#)

Garment factory clinic pilot inadequate say workers, experts

Free medical checkups offered to garment workers as part of a Ministry of Health pilot project are superficial and inadequate, workers and labour rights observers said yesterday.

The 40-day health programme was announced at the end of September, and coincided with Prime Minister Hun

Sen's charm offensive to woo garment workers around the capital. At the time, Svay Rieng Provincial Health Department Director Dr Keo Rotha said the clinics would offer glucose tests, blood pressure tests, X-rays and blood tests in case of fainting. But accounts from workers in other provinces suggested the services fell far below expectations.

Prak Vun, director of the Kampong Chhnang Health Department, said he wasn't sure if the ministry has plans to offer the services permanently. At the clinic, he said, workers were receiving a "general" medical checkup. Dr Chap Modich, a doctor at private hospital Mercy Medical Center, said what the workers described seemed inadequate for a complete medical checkup.

"They [the doctors] have to go a little bit deeper," he said, adding that workers should have also been asked about their medical history. Modich also said a medical checkup consists of a complete blood-count test. For pregnant women, doctors should screen for diabetes, high-blood pressure, folic acid levels and iron, he added. Ath Thorn, president of the Cambodian Labour Confederation, said while these services had the potential to be good for workers, they may also just be an effort to gain political support ahead of next year's election, as well as an effort to divert workers' attention from the state's troubled hospitals.

[Phnom Penh Post \(Yon Sineat & Yesenia Amaro\) 7 /11/17](#)

Two die as a crowded workers' truck rolls

2 workers died and nearly 100 were injured when their truck overturned on Friday in Kampong Cham's Cheung Prey district. The ministry of Labour would help the workers and their families through the National Social Security Fund.

[Khmer Times \(Mom Khuntear\) 13/11/17](#)

Workers protest for better conditions

More than 100 workers from You Li International factory in Svay Rieng province protested on Saturday for better employment conditions, outside their factory in Bavet. They called for improvements on 14 points of contention, including the factory allegedly cutting the pay of workers for making small mistakes and failing to provide decent toilet facilities. Also the company does not provide basic first aid to sick workers and the contracts for staff are issued on a month-to-month basis.

The company said the factory would give workers six month contracts and provide hand soap for all toilets.

[Khmer Times \(Sen David\) 13/11/17](#)

Government approves new garment factory investment

The Council for the Development of Cambodia (CDC) has approved a \$2.45 million investment project allowing garment manufacturer Fushun Cambo Fashion Co. Ltd to set up shop in Cambodia, according to an announcement released today.

According to the CDC announcement on its Facebook page, the company will set up its new factory in the southwestern Bati district of Takeo province. Once established, the factory will provide 1,069 jobs.

The CDC, a governmental body in charge of approving large-scale investment projects, started officially announcing its decisions on Facebook last month, a move which government officials say will provide more transparency for both investors and the public to track economic development in the Kingdom.

In October alone, the CDC approved four separate projects – all related to the garment and footwear sectors – with a combined total investment capital valued at nearly \$10 million.

[Phnom Penh Post](#) (Hor Kimsay) 14/11/17

GSP plea reaches US Senate

Footwear products are now excluded from the US's GSP scheme.

The US Senate has received a formal petition from the Garment Manufacturers Association of Cambodia (GMAC), asking to give Cambodian garment and footwear exports preferential trade treatment.

The US's Generalised System of Preferences (GSP) scheme allows only certain non-sensitive products from 120 developing countries to enter the US duty-free, and, most notably, excludes garment and footwear articles.

GMAC's petition follows the announcement that the US will be reviewing its GSP programme by the end of the year and voting on the GSP Footwear Act of 2017, which would allow outdoor shoes and boots, as well as other footwear manufactured outside the US, to be included in the programme.

Kaing Monika, the deputy secretary-general of GMAC, said footwear remains a sensitive industry in US trade policy, which prevents the inclusion of certain types of footwear in the GSP scheme. The amount of potential lost tariff revenue also limits the scope of footwear that can be included. GMAC is engaging a Washington-based law firm to help with its request, which if successful would tremendously help the Cambodian economy in terms of export growth, new investment and employment generation for thousands of Cambodians," he said.

Nearly \$180 million of Cambodia's \$245 million in footwear exports in 2016 belong to categories that would be eligible for GSP under the proposed GSP Footwear Act of 2017, according to GMAC's estimates.

[Khmer Times](#) (Sum Manet & Ven Rathavong) 7/11/17

Medals for staff-friendly firms

Prime Minister Hun Sen yesterday said he will award medals of appreciation to garment factories that allow pregnant workers to leave work 30 minutes early. Speaking to nearly 20,000 workers at the 7NG Industrial Zone in Kandal province, Mr Hun Sen said he wants to encourage factories to treat workers even better than what the law stipulates.

Mr Monika, GMAC, suggested that some of the country's largest factories that employ thousands of workers should also receive medals for generating so many jobs.

[Khmer Times](#) (Mom Kunthear) 17/11/17

Garment buyers asked to bring in tech

Speaking during a meeting on Tuesday with representatives from global clothing brands and unions, MoC's secretary of state Ok Bung said the garment sector is burdened by low productivity brought about by outdated technology, which sinks the country into low positions within global value chains.

"I would like to request all buyers to participate in the investment and transfer of new technologies to the sector in order to help boost our exports," Mr Bung said. H&M, Next, C&A, Debenhams, Inditex, Kmart-Australia and Primark were some of the global companies represented at Tuesday's meeting, as well as international union federation IndustriALL.

Frank Hoffer, the executive director of Action, Collaboration and Transformation (ACT), who spoke on behalf of participating global brands, said one of their priorities as buyers is to strengthen cooperation among all stakeholders in the garment and textile industry.

ACT is an initiative between international brands and retailers, manufacturers and trade unions to address the issue of living wages in the textile and garment supply chain. Mr Hoffer especially asked for enhanced discussion with the government on the state of the industry.

[Khmer Times](#) (Sok Chan) 17/11/17

Protesting workers return to factory floor

Nearly 5,000 employees of the You Li International

factory in Svay Rieng province's Bavet town yesterday returned to work after protesting for better working conditions since Saturday. Soth Chet, a union official from the Collective Union of Movement of Workers, and Sam Chenda, a representative of workers at You Li International, described the bad ways workers were treated. Ou Sok Kheoun, deputy chief of the labour department in Svay Rieng, said the company has agreed to the workers' requests.

Khmer Times (Sen David) 15/11/17

Fire destroys garment factory

A fire ripped through the Makalot Garment factory, a Taiwanese owned garment factory, in Phnom Penh on November 14 causing extensive damage. More than 30 fire trucks were used, nobody was injured. According to the Interior Ministry, there were 612 fires across the kingdom last year.

Khmer Times (Ros Chanveasna) 15/11/17

Workers faint from factory polish fumes

More than 20 garment workers fainted yesterday morning at the capital's Canadia Industrial Park after succumbing to polish fumes from a nearby furniture factory, according to police.

The workers were employed by the Yuonsi factory in Choam Chao commune and taken to a clinic after the neighbouring factory sprayed polish on its products, according to Ros Saradi, a Choam Chao police officer stationed at the park. Most of the workers returned home after they received treatment for dizziness and headaches.

Phnom Penh Post (Yon Sineat) 24/11/17

Garment workers renew strike over unpaid wages at Korean factory

Hundreds of garment workers blocked a road outside the Gawon Apparel Co factory in Kandal province today in yet another demonstration over unpaid wages.

Employees at the Korean-owned garment factory, located in Takhmao town, have protested several times over the last year over lack of payment.

Garment worker Seam Sokeang, 25, said the company is late on its promises to pay workers and has been suspending work in different sections of the company for one week at a time. According to Sokheang, who has worked at the factory for more than five years, the factory also suspended workers for three months earlier this year.

Saing Yot, dispute resolution officer for the Coalition of Cambodia Apparel Workers' Democratic Union, said the union met with factory managers and employees yesterday and that the company agreed to pay workers by this afternoon, including for the suspension period.

"The suspension is illegal because there was no approval from the labour inspector of the Ministry of Labour," Yot said. "In the agreement, the factory also promised to pay worker's salary on the 10th of every month and if they cannot afford to pay, they'll sell their property to pay workers' salaries."

Phnom Penh Post (Yon Sineat) 20/11/17