



## ACT DEEPENS ENGAGEMENT IN CAMBODIA

**Progress towards a collective bargaining agreement at industry level, the modalities for ring-fencing labour costs and the development of a monitoring mechanism for brand commitments. These were the main issues tackled by the fourth round of ACT country consultations in Cambodia, held in September 2018.**

Action Collaboration and Transformation (ACT) brings together 20 global textile brands and retailers and the IndustriALL Global Union in a drive to achieve better wages and working conditions through national collective bargaining at industry level, supported by brand purchasing practices.

On 11-14 September 2018, representatives of ACT member brands and IndustriALL met with employers, trade unions, suppliers, representatives of the Ministry of Labour and other stakeholders in Cambodia. They discussed progress towards a collective bargaining agreement at industry level in Cambodia, the mechanism for implementing the ACT member brand commitments and the methodology for ring-fencing labour costs during price negotiations.

**The country's major trade unions and the Garment Manufacturers Association of Cambodia (GMAC) are discussing a collective bargaining agreement at industry level and reported positively on progress.**

Trade union representatives suggested the aim should be to conclude an agreement within the next few months.

All participants agreed that the negotiations need to take account of the ongoing minimum wage process. The minimum wage in Cambodia is revised annually through a negotiation process within the tripartite Labour Advisory Committee.

The committee is expected to decide on the country's minimum wage for 2019 in October 2018.



*Chuon Monthol (President of the Cambodian Confederation of Trade Unions)*



*Ath Thorn (President of the Cambodian Labour Confederation)*

A collective bargaining agreement at industry level that guarantees freedom of association and leads to substantial and continuous wage growth will be supported by the [ACT members' brand commitments](#).

Implementation of the brand commitments will be supported through monitoring and complaint mechanisms. The development of these mechanisms was a central topic during the Cambodian country consultations this September.

**ACT members' brand commitments to Cambodia include making Cambodia a preferred country of sourcing for a defined period of time and incorporating higher wages as a cost item in purchasing price negotiations.**



*Ken Loo (General Secretary of Garment Manufacturers Association of Cambodia)*

Ensuring that higher wages are reflected in purchasing prices was another major item on the agenda.

Brand representatives, suppliers and international experts discussed how to implement the brand commitment to "incorporate the higher wages as a cost item in their purchasing price calculations".

The open exchanges helped to build the trust and confidence needed among buyers and suppliers in order to develop an agreed methodology for ring-fencing labour costs.

The country consultation concluded with a meeting between the Minister of Labour, H.E. Ith Samheng, and ACT Executive Director Dr Frank Hoffer on 19 September. They discussed the role of ACT in the future development of the Cambodian garment and footwear industry.

The Minister expressed his support for the ACT approach and welcomed the commitment of international brands to contribute to the sustainable development of the sector.

"By combining international purchasing practices and national collective bargaining, Cambodian stakeholders and ACT can together write a new chapter in creating a sustainable garment and footwear industry based on better wages and good working conditions," says Frank Hoffer.



*Frank Hoffer (Executive Director of ACT)*



*H.E. Ith Samheng (Minister of Labour and Vocational Training, Kingdom of Cambodia)*