

Press Release

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ILO Better Factories Cambodia 24th Synthesis Report

Garment Sector Shows Signs of Recovery

PHNOM PENH, Cambodia – The International Labour Organization's (ILO) *Better Factories Cambodia* today releases its 24th *Synthesis Report on Working Conditions in Cambodia's Garment Sector*, which assesses compliance with Cambodian labour law and international labour standards in exporting garment factories.

The 24th Synthesis Report reflects compliance data from 157 factory monitoring reports completed between November 1, 2009 and April 30, 2010. The report contains a range of information, including information on factory size across the industry, as well as comparative data on compliance with fundamental rights and selected working conditions to facilitate tracking of compliance levels over time.

The 24th Synthesis Report is the first report to show an increase in employment levels when compared with the preceding report since the 21st Synthesis Report of 31 October 2008. The level of employment increased slightly since November 1, 2009, despite additional factory closures. Although employment is still down from one year ago, job losses resulting from the crisis have leveled off, as reflected by the smaller percentage drop during the past year (6%) than that seen during the year before (12.5%). Ministry of Commerce data also points toward the recovery in the garment sector, with export levels for the first five months of 2010 exceeding those for the same months last year.

Compliance levels generally remain high, although some areas of concern remain, particularly regarding freedom of association and discrimination. Compliance with workers' wage payments improved moderately in four of the six areas reported on. In addition, an ILO-commissioned study by the Cambodian Institute of Development Study suggests that fewer workers are experiencing reductions in income due to cuts in regular and overtime hours, compulsory leave, and work suspensions this year than during the last quarter of last year. However, most workers still report that they do not have enough to spend on basic needs including food, housing and health care.

Among the key findings in the report are the following:

- The garment sector is showing signs of recovery from the economic crisis; employment levels are up slightly when compared with the previous report.
- More than 2/3 of workers currently are working in factories with 1000 or more employees, despite a 9% drop in the percentage of factories with 1000 - 2000 workers over the past year.
- 79% of the factories monitored have at least one union, up 3% from the 23rd Synthesis Report.
- Compliance with requirements relating to fundamental rights has not changed by more than 3% when compared to the previous report. The percentage of factories that discriminated against workers (usually based on sex) is at 13%, up from 10%; the percentage that engaged in anti-union discrimination is at 2%, up from 1%; and the percentage that interfered with



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- workers' right to freedom of association is at 2%, down from 3%.
- There were no confirmed underage workers, although there was one in the previous report.
 - 9% of the factories monitored had strikes, down from 14% in the prior report.
 - Compliance with minimum wage requirements for regular workers is at 99%, down from 100% in the previous report. In factories employing casual workers, the level of compliance with minimum wage payments for those workers is at 93%, up from 89%.
 - 98% of factories provide 18 days of annual leave. Compliance with maternity leave payments dropped 7%, while compliance with paid sick leave rose by 3%, to 78% when compared to the prior report.
 - Compliance with limits on the frequency and duration of overtime dropped 3% from the prior report. Despite this increase in overtime hours, overtime was voluntary in 3% more factories.
 - Compliance with requirements to provide personal protective equipment and to install needle guards on sewing machines improved by 1% and 6%, respectively.
 - Overtime and OSH requirements comprise 8 of the top 10 non-compliance issues, reflecting the persistent challenges employers face in addressing these issues. However, there has been improvement in a number of requirements pertaining to chemical safety.

The 24th *Synthesis Report on Working Conditions in Cambodia's Garment Sector* is available in Khmer, English and Chinese and can be downloaded from www.betterfactories.org.

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