

World Bank Survey of Textile and Garment Buyers Sourcing in Cambodia 2004

In 2004 the World Bank undertook a survey of Cambodia's top 15 buyers in the textile and garment sector. Together these buyers account for 45 per cent of the Cambodian garment industry's exports. The survey was conducted through direct interviews with companies' sourcing departments.

The survey findings provide strong support for the continuation of the ILO Garment Sector Project in Cambodia.

Specifically, the buyer survey shows:

Post-quota sourcing intentions 9 buyers intend to increase sourcing in Cambodia and 6 intend to continue sourcing at the same level. None intend to decrease sourcing volumes.

Basis for choice of country Good labour standards rated first out of 12 possible country-specific reasons to source from a country.

Country performance rankings Buyers rated countries' compliance with labour standards as follows:

Cambodia	labour standards # 1	3.65 (moderate-good)
Thailand	labour standards # 4	3.13 (moderate-good)
China	labour standards # 8	2.87 (poor-moderate)
Viet Nam	labour standards # 8	2.64 (poor-moderate)
Bangladesh	labour standards # 8	2.35 (poor-moderate)

Impacts of improved labour standards Buyers think improved labour standards have positive effects on:

- accidents
- workforce productivity
- product quality
- worker turnover
- absenteeism
- the quality of applicants for jobs

The only negative effect cited was on price.

Just over 60% of buyers surveyed said compliance with labour standards was of **equal or more importance** to considerations of price, quality and lead times. 86% of buyers believe that compliance with labour standards is of **moderate to critical importance** to their consumers.

ILO monitoring is highly credible with buyers, rating 4.53 on a 5 point scale. To ensure that labour standards are being met, buyers ranked ILO monitoring as second only to their own internal auditing. Other monitoring methods which ranked lower than internal audits and ILO monitoring included using consultants and labour inspectorates.