

Garment

Manufacturers Association in Cambodia

We are on the road to recovery.

Join us for the betterment

of the industry.

WE HELP THE BUSINESS OF OUR MEMBERS

20/0

Anniversary

EXCELLENCE AAP Group

www.aapgroup.com.kh







TOWER CRANES



TRUCK SCALES



GEOGRID / GABION



Trolley



Mezzanine Floor



Racking



Mezzanine Floor Racking

We also specialized in:



Conveyor Belt Joining

- Warehouse Layout
- Rackings / Shelving Design
- Manufacture
- Installation of Shelving System
- Conveyor System (Belts and Rollers)
- Scaffolding Sales / Rental





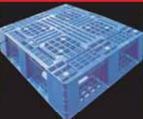
ROCK DRILLING TOOLS DIGITAL SCALES

SANDVIK





Slider Conveyer Belt



Plastic Pallet



Plastic Basket

120E, Street. 472, Sangkat Toul Tompoung I, Khan Chamkamon, Phnom Penh, Cambodia Tel: 855-23 223 176 Fax: 855-23 996 238 Call us: Storage Racking / Shelving System / Plastic Pallet / Plastic Basket

Ken: 012 492 921, 017 666 889 (English) Ratha: 017 46 46 12 (Khmer)

- (Digital Weigh Scale ,Truck Scale) Ny : 017 61 73 38 (Chinese ,Khmer)
- (Conveyor Systems / Belts) Ken 012 49 29 21
- (Rock Drilling Tools) Chandara 017 77 19 14
- (Engineering / Construction Equipment) Ravuth: 017 45 12 51, 099 654 221 Website: www.aapgroup.com.kh E-mail: business@aapgroup.com.kh

CONTENTS

1.	Message from Senior Minister, Minister of Commercep 2
2.	Message from Chairman of GMACp 3
3.	About the Associationp 4-6
4.	Executive Committeep 7-9
5.	Quick Overview of the Industryp 10
6.	Our Activities
•	Advocacyp 12
•	Trade FacilitationP 12
•	Discussion and SupportP 13
•	National Social Security Fundp 13
•	Training ActivitiesP 14
7.	Trade Promotionp 15-17
7. 8.	Trade Promotion
	·
8.	Lobby for Trade Preference from the US Governmentp 18
8. 9.	Lobby for Trade Preference from the US Government
8.9.10.	Lobby for Trade Preference from the US Government
8.9.10.11.	Lobby for Trade Preference from the US Government
8.9.10.11.12.	Lobby for Trade Preference from the US Government
8.9.10.11.12.	Lobby for Trade Preference from the US Government
8.9.10.11.12.	Lobby for Trade Preference from the US Government



Message from
His Excellency CHAM PRASIDH,
Senior Minister, Minister of Commerce
The Royal Government
of Cambodia

Dear Readers,

On behalf of the Ministry of Commerce, I would like to express my sincere appreciation to the Garment Manufacturers Association in Cambodia (GMAC) for its endeavors in availing itself as the umbrella in leading its members to work together to develop the garment industry in the Kingdom, and GMAC has been working very closely with the Cambodian Government, especially with the Ministry of Commerce as well as other concerned Ministries.

GMAC has been actively communicating and participating with the Cambodian Government in various ways and has contributed to the promotion of the economic development of Cambodia in many ways. GMAC not only works for its members and the garment industry but also increases the growth of other sectors such as financial institutions, transportation, health institutions, real estate, market and other supporting industries.

Cambodia enjoys preferential trade agreements from various developed countries. The Ministry of Commerce continues to work with other countries to open their markets to Cambodia and to bring about the competitiveness for existing investors while attracting and retaining potential investments. In introducing the Cambodian garment and textile industry to the international markets, the Ministry of Commerce is also encouraging all garment factories to work hand-in-hand under the leadership of the GMAC.

I am happy to note the close cooperation between GMAC and the Ministry of Commerce. I am sure such working relationship will be enhanced, working further towards common objectives and introducing our garment products to various international markets.

This Annual Bulletin is one of the most useful tools for both local and international businessmen who wish to study, search, source, and seek for partners in the garment and textile industry in Cambodia. This Annual Bulletin will also guide you to discover more opportunities to grow with us and to gain more knowledge of the growing garment & textile industry in the Kingdom of Cambodia.

I wish all readers best of luck and success.





Dear Guests,

Garment Manufacturers Association in Cambodia (GMAC) wishes to extend our warmest greetings to all of you, and it is my great pleasure to welcome you.

GMAC is celebrating our 14th Anniversary this year. GMAC was established in 1996 to share with all the wide areas of gradually expanding possibilities within the industry and all other services opportunities related to the development of this industry.

In many countries, the garment industry is just one of many industries, in Cambodia it is the primary industry. The garment industry has been considered the biggest industry in Cambodia. Due to the sheer size and importance of the garment industry in Cambodia, the Garment Manufacturers' Association of Cambodia, GMAC was formed.

The recent global economic crisis has affected many countries in the world and Cambodia is no exception. Since the onset of the crisis in mid 2008, we have seen more than 60 factories closed resulting in more than 60,000 jobs being lost. Our exports for 2009 have seen a significant drop of approximately 20% as compared to the previous year. For 2010, the outlook does not appear positive.

The Royal Government of Cambodia has introduced several measures in 2008 to help our industry tide over these difficult times. GMAC will continue to lobby the various stakeholders and work together with them so that our industry can become more robust and more competitive. We also continue our efforts to lobby the US Government for Duty-Free access for garments made in Cambodia. There are positive signs from Washington that this may finally materialize sometime in 2010 and we would urge all stakeholders to support us in this endeavour.

GMAC is also in the process of setting up the first industry driven, sector specific National Garment Training Institute aimed at developing the human resources required by our industry over the next few years as we grow in depth in order to provide a one-stop solution to the needs of our buyers.

I know that we will eventually see fruition on all the efforts that we are now making and urge all of you to work together with us to make a brighter future for the Cambodian garment and textile industry!

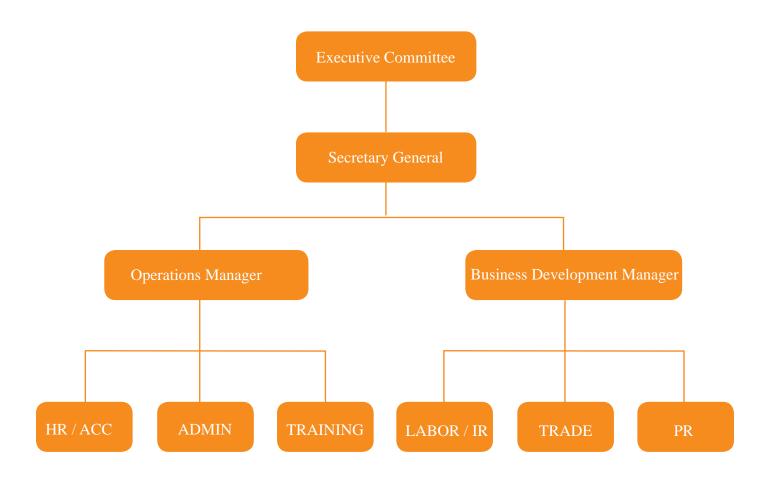
VAN SOU IENG Chairman of GMAC

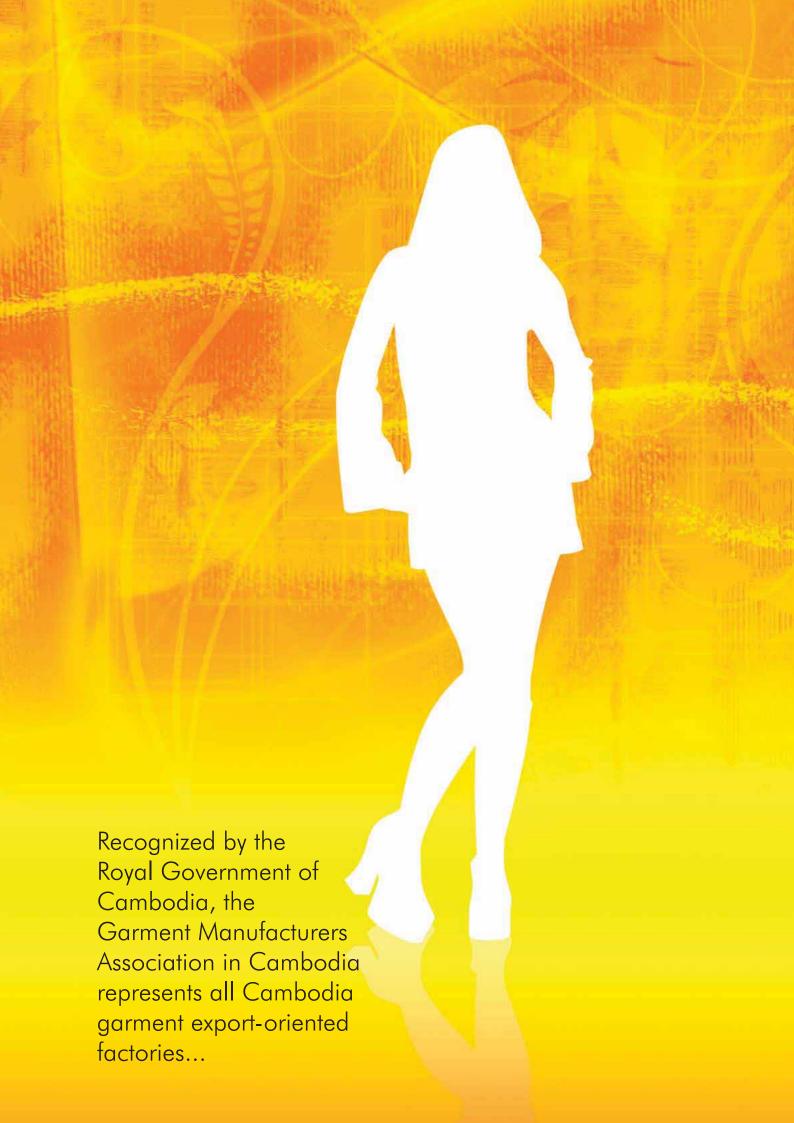
ABOUT THE ASSOCIATION

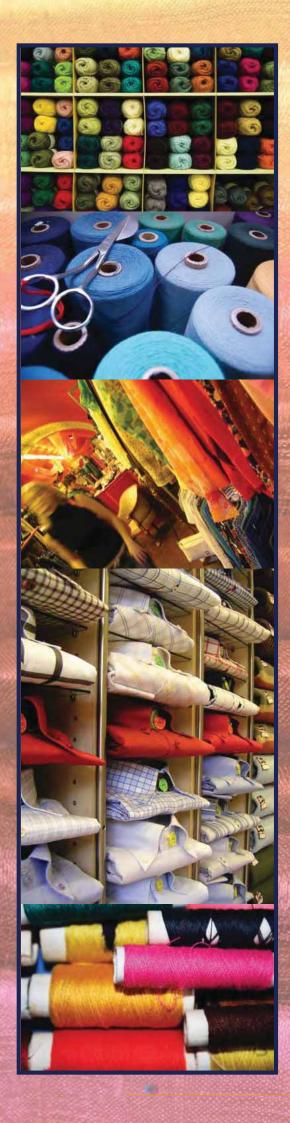
Recognized by the Royal Government of Cambodia, Garment Manufacturers Association in Cambodia represents all Cambodia garment export-oriented factories. Established in 1996 due to the increasing need for the garment industry to stand together with a unified voice, GMAC has become one of the most active trade associations in the country, representing, promoting and safeguarding the rights and interests of its members. GMAC provides a forum for consultation and discussion among members of common interests and seek for the adoption of sound policies allowing the industry to grow and develop.

GMAC is headed by 27 Executive Committee members consisting of representatives from well-established factories. They are elected every two years during the Association's General Meeting. The elected Executive Committee members are responsible for providing advice on strategy and policy development, while dayto-day operation is carried out by professional secretariat staff under the supervision of the Secretary General.

The most important role of GMAC is to influence policy and legal environment, making sure it is conducive for the growth and development of the textile and apparel industry in Cambodia. Additionally, GMAC provides various value-added services to members, such as training, legal updates including government announcement, business matching, general business information, trade fairs, networking... and others. GMAC also works very closely with the Government, especially the Ministry of Commerce, to lobby for preferential trade agreements.







OUR INSPIRATION

- Higher Quality
- Lower Cost
- Shorter Lead Time
- Innovation & Services
- Corporate Social Responsibility

VISION

 To make Cambodia a preferred partner in the competitive global apparel market

MISSION

- To collaborate with all stakeholders to pursuit a conducive business environment for the growth and development of the apparel industry
- To provide prompt and crucial information pertaining to the industry
- To support Cambodian Government and industry in the development of human capital
- To embrace corporate social responsibility in management principles so as to develop mutually beneficial relationships and sustainable development

Garment Manufacturers Association in Cambodia (GMAC)

Nr.175, Jawaharlal Nehru Blvd., (Street 215), SK Phsar Dem Kor, KH Tuol Kork, 12159 Phnom Penh, Cambodia Phone +855-23-301181 Fax +855-23-882860 Email: info@gmac-cambodia.org

www.gmac-cambodia.org

EXECUTIVE COMMITTEE

The new Executive Committee, the team of 27 members, was elected by all garment manufacturers in Cambodia on March 15, 2009. This combination team are garment investors from different nationalities who are entrusted with an obligation to guarantee the development and sustainability of Cambodian garment industry.

Five sub committees respectively responsible for Labour, ILO Related Matters, Trade Facilitation, Training, and National Social Security Fund were created to deal with specific and hot issues by working together with members, ministries, NGOs, development partners both local and international.



GMAC Exco Members elected at its General Meeting for the mandate 2009-2010



Van Sou leng Chairman

FACTORY: PPS LTD. (Cambodia) Tel: (855)12 888 222 / Fax: (855)23 430 192 Email: vansouieng1@gmail.com



Kong Sang 1st Deputy Chairman

FACTORY: Evergreen Apparel (Cambodia)Co.,Ltd. Tel: (855)12 829 888 / Fax: (855)23 880 215/23 881 628 Email: kongsang.wu@online.com.kh



Choon Yik Thong 2nd Deputy Chairman

FACTORY: PCCS Garments Limited Tel:(855)12 832 705 / Fax: (855)23 883 666 /23 982 477 Email: ytchoon@pccsgroup.net



Lee Thai Khit **Executive Member**

FACTORY: June Textile Co., Ltd. $Tel: (855)12\ 833\ 338/12\ 811\ 138\ /Fax: (855)23\ 881\ 238$ Email: tklee@junetex.com alteoh@junetex.com



Xia Guo Tian **Executive Member**

FACTORY: In Fong (Cambodia) Garment Co., Ltd. Tel: (855)12 859 277/12 419 286 /Fax: (855)23 216 216 Email: xia_shanghia@yahoo.com.cn



Roger Tan Executive Member

FACTORY: Thai Pore Garment Manufacturring Co., Ltd. Tel: (855)12 815 815/12 983 000 /Fax: (855) 23 216 216 Email: rogertan@thaiporegmt.com.kh davidclc_tp@online.com.kh



Peng Ding Executive Member

FACTORY: Supertex Ltd Tel: (855)12 333 832 / Fax: (855)23 425 833 /23 362 828 Email: pengding@supertex.com.kh



Tony Hsu **Executive Member**

FACTORY : Tai Yang Enterprises Co., Ltd. Tel : (855)12 802 859/12 894 565 Fax: (855)24 397 893 EMAIL: tony_hsu@tai-nan.com alba@tai-nan.com



Colin Cheang Yee Hong Executive Member

FACTORY: Kinma Industries Pte.Ltd Tel: (855)15 832 798 /Fax: (855)25 353 565 EMAIL: colin@ginma.com.my



John lim Kong Hui **Executive Member**

FACTORY: Talent Garment Industry (Cambodia) Co Ltd $Tel: (855)12\ 872\ 233\ /Fax: (855)23\ 890\ 032$ EMAIL: jonlim@talentmt.net



Eddie Liao Executive Member

FACTORY: Grand Twins International (Cambodia) Ltd Tel: (855)16 685 928 /Fax: (855)23 890 309 Email: eddie.liao@qmico.com



Lau Wai Keung **Executive Member**

FACTORY: GHG (Cambodia) Ltd. Tel: (855)12 882 712 /Fax: (855)23 982 785 Email: roylau@everyday.com.hk



Kevin Mathew Plenty Executive Member

FACTORY: New Island Clothing (Cambodia) Ltd. Tel: (855)12 997 440 /Fax: (855)23 865 164 EMAIL: Kevin. Plenty@quantum clothing.com



Van Porphin **Executive Member**

FACTORY: Meng Ieng Garment Factory Ltd. Tel: (855)12 425 608 /Fax: (855) 23 884 927 Email: porphin_van@hoimeng.com



Albert Tan **Treasurer** FACTORY: Suntex Pte. Ltd.

Tel: (855)12 807 177 / Fax: (855)23 424 777/23 424 799 Email: albert_tan@oceanskyintl.com



Robert Hwang Executive Member

FACTORY : ACE Apparel Co., Ltd Tel : (855)12 900 323 /Fax : (855)23 352 130/23 352 132 Email : robert@dajoointernational.com



Michael Lai Executive Member

FACTORY: Gennon (Cambodia) Garment MFG Ltd. Tel: (855)12 222 812 /Fax: (855)23 368 398 Email: gennon_cbd@online.com.kh prodgennon@online.com.kh



Larry Kao Deputy Treasurer

FACTORY: Manhattan Textile and Garment Corp Tel: (855)12 903 399 / Fax: (855)23 721 198 Email: larrykao@medtecs.com.kh



Chris Yin Executive Member

Tel: (855)12 857 188 Email: e2chrisyin@yahoo.com



Wang Ching Fei **Executive Member**

FACTORY : King Fashion Garment Co.,Ltd. Tel : (855)12 222 835 /Fax : (855)23 351 123 EMAIL: gw@kinfashiongharment.com.kh



Derek Lu Executive Member

FACTORY: Hung Tak Garment Co., Ltd. Tel: (855)12 798 666 /Fax: (855) 23 995 222 Email: hungtak@texson.com.hk



Lin Chih Lung **Executive Member**

FACTORY : Camitex (Cambodia) MFG Co.,Ltd. Tel : (855)12 867 066 / Fax : (855)23 393 999 Tel: (855)12 805 749/12 219 209 /Fax: (855)23 982 608 EMAIL: Panda.l@gspec-intl.com



Alex Yang **Executive Member**

FACTORY: HS Ent (Cambodia) Co., Ltd. Email: alexy ang@huasinent.com



Mercedes Cha Executive Member

FACTORY: Gawon Apparel Co., Ltd Tel: (855)12 418 474 /Fax: (855)23 984 009 EMAIL: mercedescha@naver.com



Lee Hye Sook **Executive Member**

Tel: (855)12 865 275/12 586 410 /Fax: (855) 23 890 114 Email: jhlee@cambohandsome.com jacksonkang@cambohandsome.com



Charles Chen Executive Member

FACTORY: Cambo Handsome Ltd. FACTORY: Evergreen Apparel (Cambodia) Co., Ltd. Tel: (855)12 825 888 /Fax: (855)23 880 215 Email: thomaschen33@gmail.com



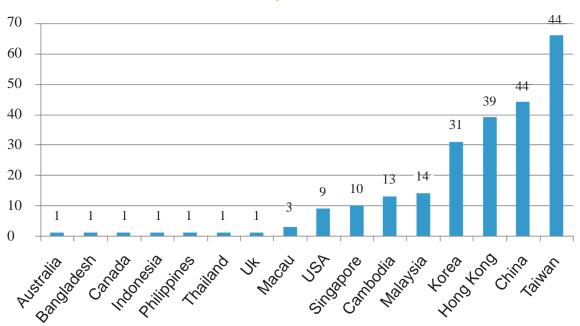
Timothy Yang Executive Member

FACTORY: Seratex Co., Ltd. Tel: (855)12 373 863 /Fax: (855) 23 890 715 Email: timindozina@gmail.com

A OUICK OVERVIEW OF THE INDUSTRY

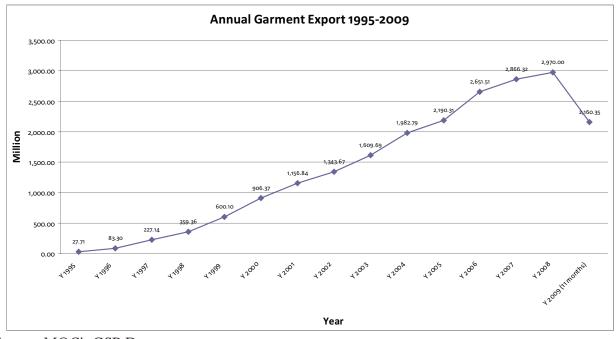
- Started in 1994 as the first foreign direct investment
- MFN/GSP trade privileges granted in 1996 by US and EU
- Quota imposed by the US in 1999
- Quota removed at end 2004
- 236 garment export-oriented factories are currently operating and registered with GMAC, with 93% being FDI
- Taiwan tops the list with 66 factories, followed by China and Hong Kong
- 276,268 workers (92% female) are employed, with average wage of \$80
- Main markets are US and EU, with current expansion to Japan.

Factories by Nationalities



Source: GMAC list of members

Countries



Source: MOC's GSP Department

CMT factories

Most of the factories usually only do CMT with all the pre-productions done in their headquarters located in Taiwan, Hong Kong, China, Singapore, Malaysia, etc. However a handful of them are making approval and development samples based on given garment technical specifications. The local designers and NGOs/social enterprises are trying to develop their own designs for domestic and regional exports but they are very small in number and size. Their products are usually bags and accessories rather than garments. There are many tailors whom one might consider as "designers" as well.

Our supporters and there are more...



OUR ACTIVITIES

ADVOCACY

The pivotal role of GMAC is to influence policy and legal environment, making sure that it is conducive for the growth and development of the industry. In this regard, GMAC having established different committees within the association, represents its members in various bodies, such as the Government-Private Sector Forum (G-PSF), Labour Advisory Committee, National Social Security Fund, National Arbitration Council, Customs-Private Sector Partnership Mechanism, just to name a few...



Of particular importance to the industry is the G-PSF which consists of 8 Working Groups. GMAC is most active in the Working

Group on Export Processing and Trade Facilitation and the Working Group on Industrial Relations where the 2 main concerns of the industry are to be addressed. The Government-Private Sector Forum (G-PSF) improves the business environment, builds trust, and encourages private investment through a demand driven process with the private sector identifying issues and recommending solutions.

TRADE FACILITATION

GMAC assists members where it matters most. Import-Export issues are one of the areas that impact business of our members. Regular quarterly meeting with members enables GMAC to compile various problems and passivity that ultimately can be brought forward to ministries concerned for facilitation and helpful solutions.

Accounting for 80% of the country's total export and nearly 20% of GDP, the Cambodian garment industry is plays a very crucial role in the country's economic development, thus making the association's Sub-Committee on Import-Export fully recognized and welcomed to work closely with the Government's ministries concerned. The Sub-Committee is entrusted with the obligation to raise concerns and problems on behalf of GMAC members. The General Department of Customs and Excise of Cambodia (GDCE) so far has been very prompt in responding to the industry's concerns and both GMAC and GDCE are keeping constant communications that are producing fruitful results in favor of all garment factories.

GDCE has embarked on a Customs Reform and Modernization program aimed at creating a modern customs administration that meets the requirements of the government for efficient revenue collection and for protection at the border, and that also meets the needs of the private sector for fast, straightforward and reliable international trade. GDCE operates 24 hours a day, 7 days a week, at the airport and seaport. Cross- border station work hours are correlated with those of the neighboring country.

For over 3 years, the Automated System for Customs Data (ASYCUDA) has been implemented, starting first at our Cambodian biggest seaport in Sihanouk Ville. It has recently also been implemented at the Phnom Penh International Airport and Dry Ports.

DISCUSSION AND SUPPORT

GMAC also negotiates minimum wage of the industry on behalf of its members at the Labour Advisory Committee. The Chairman of GMAC also sits as a member of the board of the National Social Security Fund. GMAC strongly believes in peaceful negotiation and discussion to settle all matters. We also believe our partners share the same belief.



To help its members in time of economic crisis, GMAC successfully lobbied the government for a suspension of 1% Advance Profit Tax for the period January 2009 to December 2012. The 1% APT was in the past a cash flow burden to all members. Additionally, GMAC succeed in getting a 0.3% subsidy by the government out of the original 0.8% payment previously made by factories to the National Social Security Fund.

• NATIONAL SOCIAL SECURITY FUND

Following the Law on National Social Security Fund enacted on 25 September 2002 and a Sub-degree issued on 23 February 2007, Cambodian National Social Security Scheme was officially started in October 2008. The law aims at organizing the Social Security Schemes for persons defined by the provisions of the Labour Law of the Kingdom of Cambodia.

This social security scheme comprises 3 phases. The first phase of NSSF covers work-related accident and occupational diseases supposed to be for a period of 2 years. The second phase will be Health Insurance Scheme, while the third phase will be Pension Fund.

Being proactive on what was going to be more burdens on our factories members and to prepare them for this development, GMAC had launched various activities to first of all make sure that our members 1/ understand the fundamentals of a good social security scheme; 2/ know the history of systems of social security; 3/ understand the link between economic growth and social security; 4/ understand the main challenges to social security system; 5/ know the model and basic social protection package.

The second step and most difficult task for GMAC to undertake was negotiation for a contribution rate AFFORDABLE to our members. GMAC with the support of the Cambodian Federation of Employers and Business Association successfully convinced the government to accept the contribution rate of 0.8% of the worker's gross salary, far lower than the originally government-proposed rate of 1.76%.



When the global financial crisis hit the industry at the end of 2008, GMAC successfully lobbied the government to help subsidize 0.3% for the period 2009-2010. As a result, our members pay only 0.5%. This is highly appreciated by all members.

TRAINING ACTIVITIES

Training plays a main role in developing Human Resources, the resource that helps increase productivity. We focused on Production Supervisory, Quality Control, Sewing Operation, and Machines Mechanics.

We believe higher skilled employee will bring about higher productivity and this will help them earn higher income. To respond to the needs of members on promoting productivity, GMAC has trained more than 3,000 workers, 1,200 of whom graduated from our Production Supervisor courses. JUKI helped with mechanics courses that trained factories technicians in upgrading their knowledge with new technology.

The recent economic crisis that has resulted in more than 60,000 job losses within the garment industry continues to hurt us. As a result, there have been changes to the training needs of our members. There is a need now for further upgrading of skills in order for more Cambodians to take up middle management positions currently being held by expatriates. In addition, there is also a need to develop Human Resources in other areas of specialization such as pattern making and merchandising in order for our members to provide more value added services to their buyers. In response to these changing needs, GMAC is currently in the process of assessing the possibility of setting up a Garment Training Institute together with the Royal Government of Cambodia. We are currently working very closely with the Ministry of Labor and Vocational Training to explore this possibility.

Current courses available from GMAC skills training for 2010 are Supervisor Course, Quality Control, Sewing Operator, and Sewing Machine Mechanic.







TRADE PROMOTION

In October 2008, GMAC sponsored by Japan's Ministry of Economy, Industry and Trade and Japan Textile Federation led a delegation comprising of representatives from factories, government and union for a business mission to Japan in order to explore more about the Japanese markets. The mission visited ITO YOKADO, MUJI, and UNIQLO.

A policy dialogue session between the Cambodian delegates and METI/JTF was also organized. The group raised the issue of rising costs in China and why it would be ideal for Japan to consider production in Cambodia. Although the outlook for Japanese company did not appear to be postive, Japan has a plan to develop more with Cambodia especially in the area of textile and apparel. This is supported by the ASEAN-Japan Comprehensive Economic Partnership Agreement which was recently ratified by Cambodia. This will allow more Cambodian factories to tap more into the Japanese markets.

In response, a Japanese mission to Cambodia was made in December 2009. The Japanese delegates met up with GMAC Executive Committee to follow up on the first visit and discussed further how to increase exports of Cambodia-made garments to the Japanese market. The delegates then met with MoC with the purpose of trying to understand what kinds of assistance the Cambodian government needs in the implementation of the AJCEP. The mission was concluded by meeting the Council for the Development of Cambodia and visits to factories.



Aside from that, GMAC organized a Business Forum on 27 May 2009 at Raffle Hotel Le Royal Phnom Penh, with participation from many big brands such as H&M, the Walt Disney, Redcats Asia, Mast Industries Far East, Auchan, Li & Fung, and many more. Investors/Factory owners together with other stakeholders were also present.

The forum, organized amid the severe economic crisis period, intended to promote Cambodia as one of the best apparel sourcing bases, persuade existing buyers to buy more from Cambodia and potential buyers to consider buying. It was also the intention of GMAC to promote more investment in Cambodia garment industry. After all, the forum created a platform for dialogue among all stakeholders. All parties could express their concern and challenges they were facing. Finally the forum sought to answer the question "What does it take to invest in Cambodia?"



What's more, GMAC often participated in various trade fairs such as Bangkok International Fashion Fair and Bangkok International Leather Fair, Vietnam Saigon Textile, Garment Machinery and Fabric Exhibition, and many more in China's various provinces like Nanning, Kunming, Sichuan and Shanghai.



Garment Manufacturers Association in Cambodia (GMAC) has been participating in the China-ASEAN Expo (CAEXPO) and China-ASEAN Business & Investment Summit (CABIS) held in Nanning, Guangxi since its imception in 2004.

The joint efforts of all ASEAN countries and China concluded with great success since the first to fifth year. It has become the relationship and business promotion event that bring millions of people from 11 countries together as through China-ASEAN Free Trade Area (CAFTA). It also created a huge market and enormous business opportunities.

State leaders and ministerial officials of China and certain ASEAN countries including Cambodia, Lao PDR, Myanmar, the Philippines and Viet Nam, Secretary General of the ASEAN and representative of the United Nations Conference on Trade & Development also attended the 6th CAEXPO and the 6th CABIS.

His Excellency Cham Prasidh, Senior Minister and Minister of Commerce represented the Kingdom in the event to promote the Made in Cambodia products.

Many visitors expressed great interest in these products, including our apparel.









LOBBY FOR TRADE PREFERENCE FROM THE US GOVERNMENT

GMAC represented by its Chairman Mr. Van Sou Ieng accompanied Senior Minister, Minister of Commerce Cham Prasidh to participate in an event to mark the 10th year anniversary of the US-Cambodia Bilateral Textile Agreement in Washington D.C. in November 2009.

Taking the time out of their busy schedule, they managed to meet up with relevant people of the US congress in an attempt to lobby for duty free and quota free access for Cambodian made garments. The results were quite positive and resulted in a Bill being introduced in the House of Representives. This Bill seeks to extend trade preferences to Cambodia and other LDCs. It is currently being debated by members of Congress.



REGIONAL COLLABORATION TO INTEGRATE THE INDUSTRY

The Garment Manufacturers Association in Cambodia is affiliated with the ASEAN Federation of Textile Industries (AFTEX). AFTEX was established in 1978 with the objective of promoting cooperation and coordination among textile and apparel industries in ASEAN member countries in line with the objective of the ASEAN Chamber of Commerce and Industry (ASEAN-CCI).

Every year, AFTEX hold its regular meetings on a rotation basis among member countries. Not a talk shop, AFTEX discuss concrete issues of significant relevance to growth and development of the textile and apparel industry in the region, ranging from ASEAN linkage to workforce development, to trade fairs, to Rules of Origin, to Free Trade Agreements. AFTEX Cambodia/GMAC is currently holding the Chairmanship for the period 01 January 2009 to 31 December 2010.

Since April 2009, the focus of AFTEX has been on Source ASEAN Full Service Alliance Strategy which aims at forming Virtual Vertical Factories capable of providing faster speed to market and other services required by the customer. The Virtual Vertical Factories are alliance between textile mills and garment factories across ASEAN countries.



To help promote ASEAN region, the Source ASEAN website was created and officially launched in Bangkok during the Bangkok International Fashion Fair and Bangkok International Leather Fair held in August 2009. www.SourceASEAN.com is ASEAN's first dedicated B2B web site offering the region's textile and apparel suppliers the opportunity to connect with each other and with global buyers. The website innovatively combines electronic marketplace features and social networking functionality and offers an interactive news and discussion portal dedicated to ASEAN textiles and apparel.



During its October 2009 meeting in Cebu, the Philippines, AFTEX signed a Memorandum of Understanding with the International Trade Center in order to tap into the resources, training and technical supports, from this UN body in the area of textile and apparel.



INDUSTRIAL RELATIONS

Cambodia has ratified International Conventions No. 87 & 98 that ensures freedom of association and the rights to collective bargaining agreement. However, only the Most Representative Union will be able to approach the employer for the purpose of collective bargaining negotiation. All workers shall be bound by the Collective Bargaining Agreement once reached. The CBA sets the labour law as the minimum standard.

The labour dispute is resolved firstly through conciliation at the factory level. If no agreement could be reached, there will be further mediation at the Ministry of Labour and Vocational Training after any party files a complaint. The ministry's official will act as a mediator and will submit a report to the Minister if the dispute is not resolved. In the case of collective disputes, the Ministry of Labour will send the case to the Arbitration Council. Arbitration awards in Cambodia is either binding or none-binding depending on the choice of both parties prior to the hearing. Non-binding awards can be objected by either party within 8 days.

Over the years, GMAC has noticed a certain level of maturity in the trade union. There has been a reduction in dispute and strike compared to the same period of 2008. Most importantly, the government is in the process of establishing the Trade Union Law, targeted to be completed by the end of 2010. The drafting process has been participated by the 3 parties - government, employer and union. GMAC has so far been maintaining close relationships and good collaboration with all unions with an effort of bringing about harmonious industrial relations for the industry.

REPUTATION FOR HIGH LEVEL OF COMLIANCE

Currently, Cambodia is the only country having a policy that links trade to good working conditions. Through this daring policy comes the monitoring programme of the ILO-Better Factories Cambodia. Better Factories Cambodia ensures improved working conditions in Cambodia's export garment factories. It combines independent monitoring with finding solutions, through suggestions to management, training, advice and information. Reports on factories are posted online, while the synthesis reports that are published every 6 months provides generic information on compliance level of factories in Cambodia.

The programme maintains a very high level of relevance for the garment industry in Cambodia. All programme partners: the Government, Unions, International buyers and manufacturers acknowledge that it is central to the industry reputation, and continues to play a crucial role in the stability and potential growth of the industry amidst growing competition by neighboring countries. The Project Advisory Committee of ILO-BFC recently note with pleasure the continued high level of compliance despite increasing pressure in improving working conditions in Cambodia's garment sector.

Congratulations to Cambodian-owned Inter Hopewell Garments Co., Ltd. on her winning of the International Award for Excellence in Products & Services!



CORPORATE SOCIAL RESPONSIBILITIES

GMAC/GRET Health Insurance Project

Under the Cambodian Labour Law, employers are only responsible for all work-related accidents and occupational diseases of their employees. Since mid 2009, GMAC and GRET have been jointly implementing a project called Health Insurance Project with financial support from the French Development Agency (AFD). Also endorsed by the Ministry of Labour and Vocational Training, the project is to provide health care insurance to garment workers under the auspices of AFD's Social Adjustment Fund with voluntary participation from factories.

At the premium rate of \$1.6 per month, employers of participating factories will help pay 50% of the premium. Benefits for the workers will include both primary and secondary care with a strict referral mechanism. After the first year of pilot testing, coverage may be extented to include other benenifits.

Beyond our Corporate Social Responsibility, the project will serve as a platform to gather data and understand the issues in the transition period of medical insurance scheme expected in 2010 under the Cambodian National Social Security Fund, which is currently being implemented by the government.

KEY MESSAGES FROM THE EPISODE IT IS MY Health

- TO DIGEAGES AND ACCIDENTS ARE UNFORESEEABLE, AND THE PRICE OF HEALTH CAN BE VERY HIGH. IF WE HAVE HEALTH INGLINANCE, WE ARE COVERED FOR ALL THESE RISKS
- HEALTH INGURANCE MAKES OUR PRESENT GERENE AND PROTECTS OUR FUTURE.
- WHEN INGURED, WORKER WILL RECENS FREE CARE/GERVICES FROM QUALITY CONTROLLED CENTERS AND HOSPITAL
- ALL WORKERS MILL AUTOMATICALLY BE REGISTERED; THEY MAY ALSO REGISTER THEIR FAMILIES ON A VOLUNTARY BASIS.







RHAC

Reproductive Health Association of Cambodia (RHAC)







What Can RHAC Do for Your Workplace?

Cambodia has entered into a new development era. Increased development has led to an increase in employment opportunities resulting in the migration of young people from rural areas to cities in search of work. While away from home and the watchful eyes of parents and guardians, young migrant workers are left to their own devices, lack guidance and information about health, including reproductive and sexual health issues, and are more likely to be faced with potential sexual abuse and exploitation, all of which results in the increased likelihood of contracting Sexually Transmitted Infections (STI) and HIV.

For the past 13 years (1996-2009), RHAC has been providing health education through it's Workplace Health Program reaching approximately 41,000 workers annually.

The objective of this program is to improve the health of

factory workers by increasing their awareness of reproductive health issues including sexually transmitted infections (STIs), HIV/AIDS, safe sex, primary health care, anemia, hygiene, nutrition etc, and facilitating access to quality health services as needed, at affordable prices.

Benefits to Employer

The project should bring substantial benefits to the employer in the way of improved health of the workers resulting in increased attendance at work and reduced sick leave due to availability of high quality health services close at hand, the availability of referral services for health conditions requiring specialized treatment, higher job satisfaction and improved employer-employee relations, higher production output by workers due to improved health, better corporate image for the factory, especially among overseas Buyers, etc.



Ms. Yong Vanary, Factory Worker

My name is Yong Vanary, I am very thankful for the treatment I received for my health condition at the RHAC clinic. "Since I had this practical experience, I would like to convey this message to other workers in my factory and other factories that we need to take care of our health.



Mr.Dillard D. Cheek III, General Manager of Royal Crowntext International Inc. (Garment Factory at PSH).

I am very proud of and support any activity which promotes workers' health. I want to express my sincere thanks to RHAC for educating our factory workers about health care to enable them to protect themselves from contracting dangerous diseases."



Advisor to CEO, SL Garment factory

At a recent quiz show organized by RHAC at the SL Garment factory on October 25th 2009, the Generale Manager of SL Garment factory said, "RHAC is a good NGO which provides education to factory workers on health issues related STIs, HIV, hygiene and nutrition, anemia, worming etc... and we completely support it. Taking this opportunity, and on behalf of SL factory management and workers, I would like to express my thanks to RHAC for supporting health education in our factory. SL has contributed an amount of about \$3,000.00 for their workers to participate in this event".

About RHAC

The Reproductive Health Association of Cambodia (RHAC) was established in 1996. RHAC is a Cambodian organization with a mission to improve the health and well being of Cambodians, with an emphasis on sexual and reproductive health.

RHAC's 18 clinics and 270 clinical staff provide a comprehensive package of health services across the country. RHAC has 7 clinics in Phnom Penh, 1 in Preah Sihanouk, 1 in Battambang, 4 in Kampong Cham, 1 in Takeo, 2 in Siem Reap, 1 in Kampong Speu and 1 in Svay Rieng. All RHAC clinics provide high quality health services such as: basic primary health care including immunizations, basic laboratory services, family planning including voluntary surgical contraception, diagnosis and treatment of reproductive tract infections and sexually transmitted infections, premarital counseling and screening, voluntary counseling and testing for HIV/AIDS, prevention of mother to child transmission services, pregnancy and post delivery care for mothers and their infants, post abortion care, early detection and treatment of cervical cancer, rape victim support, and treatment for minor gynecology problems

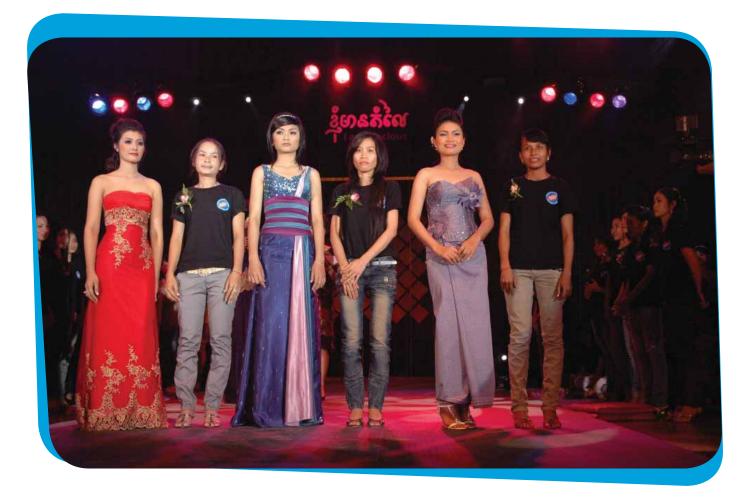
RHAC's Community and Public Health Support program works in collaboration with the Government health system (Provincial Health Departments, Operational Health Districts and Health Centers), local authorities and other stakeholders to improve maternal, newborn and child health, reproductive health and family planning, mitigate the impact of communicable diseases such as TB and HIV/AIDS in the community and care for people living with HIV/AIDS. It works with a network of community based village health support group volunteers to provide information on family planning and referral to health centers for treatment of illnesses.

RHAC also implements a health care financing program and Behavior Change Communication activities with young people, entertainment workers, construction workers, fishermen and men having sex with men (MSM).

Address: No. 14, Street 317, Sangkat Boeung Kok I, Khan Toul Kork, Phnom Penh, Cambodia. E-mail: rhac@rhac.org.kh Website: www.rhac.org.kh Phone: (855-23) 885 135/883 027/880 850 Fax. (855-23) 885 093

Strengthening workers' confidence and unlocking their potential

For the second time, GMAC in collaboration with ILO-BFC and other stakeholders organized the "I am precious" event on 29 November 2009, where garment workers participated to compete in dress and t-shirt designs.



The "I am precious" campaign and competition aimed to promote self value of garment workers by increasing awareness of their work, abilities and skills and encouraging them to realize their potentials. The competition also aimed to showcase that there are rewarding careers in the industry. It also intended to broaden garment workers' opportunities for career growth while contributing to industry's reputation and to the economic and social development of Cambodia. Moreover, the campaign



contributed to the positive image of the industry globally through international brands involvement.

Top 20 finalists of Cambodian garment workers competed in dress and t-shirt fashion show marking the final event of "I am precious" 2009 campaign, and the six winners received prizes in both cash and kind.

Bringing joys to the workers through sport tournament

GMAC in collaboration with the Ministry of Education, Youth and Sport and a former JODC official Mr. Keiichi Nakane made history by organizing the first ever Tug of War tournament on 11 October 2009 at the National Sport Complex (The National Olympic Stadium).

This first event, though prepared in a very short period of time, was participated by 100 teams with a total of 1000 competitors from over 10 factories. Estimated 3000 spectators most were garment workers went to see the tournament and cheer for the teams they supported.

With this first ever tournament, the Cambodian government has decided to proclaim the day as the National Tug of War Tournament Day.













WE'D LIKE TO CALL THIS "TUG OF PEACE".

• Donation of clothes to the Orphanages in KEP Province

Our member factories often send some of their stock garments to GMAC for charitable purposes. During its recent participation in a trade fair in KEP province, GMAC donated many pieces of clothing to the orphans living in the provincial orphanage center. In addition, the clothes were also donated to poor people and soldiers.





VISIT OUR WEBSITE AT WWW.PPSEZ.COM

CLICK ON "SUCCESS" FOR COMPLETE INFRASTRUCTURE!

POWER PLANT



WATER TREATMENT PLANT



DRY PORT





COMMERCIAL INTERNET & **TELECOMMUNICATION** CENTER





No. 67E5, Russian Blvd., Sangkat Tuk Thlar, Khan Sen Sok, Phnom Penh Tel: +855 23 890 796 H/P: +855 12 663 213 Fax: +855 23 890 795 Email: sales@ppsez.com Zone Office

National Road No. 4, Khan Dangkor, Phnom Penh (before the toll gate)

New Members 2009

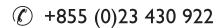
No	Company Name	Nº	Company Name
1	Baxter Brenton (Cambodia) Clothing Manufacturing Co., Ltd.	17	Medcrest Textiles (Cambodia) Co., Ltd.
2	Benoh Apparel (Cambodia) Co., Ltd.	18	New Archid Garment Factory Limited
3	Cosmo Textile Co., Ltd.	19	Sam Il International Co., Ltd.
4	Direct Route Co., Ltd.	20	Seeds Garment (Cambodia) Co., Ltd.
5	Dragontex Manufacture Co., Ltd.	21	Seo Rim (Cambodia) Co., Ltd.
6	Eastex Garment Co., Ltd.	22	Southland (Cambodia) Co., Ltd.
7	Fortune Teo Garment Factory Limited	23	T & K Garment Industry Co., Ltd.
8	Hi Fashion Co., Ltd.	24	Tak Fook (Cambodia) Garment Ltd.
9	I Apparel Ltd.	25	T Y Fashion (Cambodia) Co., Ltd.
10	IBERASIA Co., Ltd.	26	United Apparel Cambodia Inc.
11	JIT Textiles Limited	27	Wanhao Apparel Corp
12	Ken Success Fashion (Cambodia) Co., Ltd.	28	YVP Trading Co., Ltd.
13	Khmer Angkor Fashion Co., Ltd.	29	Capital Island (Cambodia) Co., Ltd.
14	Kimsheng Garment Co., Ltd.	30	OMIC (Cambodia) Ltd
15	Legend Garment (Cambodia) Co., Ltd.	31	Phnom Penh Special Economic Zone
16	Lixing Knitting Factory Limited		



Our Great Services:

- Express Import / Export Economy Express
- Road & Air Freight
- Nationwide Express
- Customs Brokerage
- Special Service
- City Express
- Warehousing & Distribution





#28, Preah Monivong Boulevard, Phnom Penh, Cambodia

www.tnt.com





No 175, Street 215 (Nerhu Street), Sangkat Phsar Dermkor, Khan Toul Kok, Phnom Penh, Cambodia

Special thanks to:







