



CAMBODIA

**GARMENT
FOOTWEAR
AND TRAVEL
GOODS (GFT)**

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1. Summary

2022 was a remarkable year for the Cambodian GFT (Garments, Footwear, and Travel Goods) sector, setting new records with \$12.8 billion of GFT exports. 2023 will see a decline from these highs due to lingering inflation concerns, and oversupply in buyer markets. As inflation eases and buyer demand rebounds, Cambodia can likely anticipate steady, albeit slower, growth in the GFT sector starting from H2 2024. As Cambodia nears key LDC graduation dates, its global market share in the GFT sector may decline. To maintain or grow its position, proactive strategies and prompt implementation are necessary to attract investment and sustain competitiveness. Considering M4 2023 export figures, TAFTAC and EuroCham have suggested

recommendations in core areas (Labour Cost, Logistics, Tax, Sustainability, Support Industries, GFT Strategy) to aid future competitiveness.

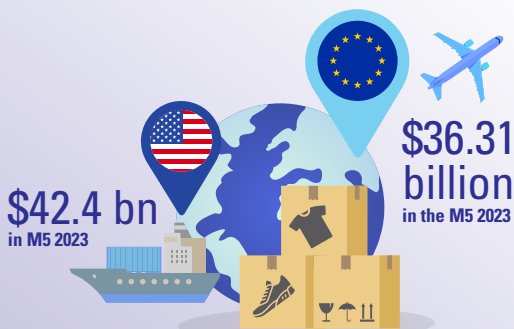
2022

- 2022 was a record-breaking year for Cambodia with \$12.8 billion of GFT exports.
- GFT sector employment hit a record high of 884,151 workers.
- Cambodia accounted for roughly 4.5% of the global GFT export market.

M4 2023

Globally:

- Exports have declined from all major GFT producer nations (excluding Bangladesh).
- Imports to major buyer markets have declined sharply:
 - ▶ US textiles & apparel imports dropped 22.6% to \$42.4 bn in M5 2023.
 - ▶ EU apparel imports dropped 8.84% to \$36.31 billion in the M5 2023 period.



In Cambodia:

- The GFT sector employs 855,021 workers in 2023. A 3.4% decline from 2022 highs.
- GFT exports decreased 24.58% from \$4.18 billion (M4 2022) to \$3.15 billion (M4 2023)
- Overall decreases are similar across garments (25%), footwear (23%), and travel goods (33%).
- GFT Exports to the US have dropped the most significantly (35.9%).
- GFT Exports decreased to Canada (29.8%), the UK (19.7%), the EU (17.3%), and Japan (8.4%).
- GFT Exports increased modestly to ASEAN (6.8%).
- The US maintains the largest share of the Cambodian GFT market, absorbing 37% of exports.
- The US is followed by the EU (27%), Japan (9%), Canada (7%) the UK (6%) and ASEAN (2%).

2. Introduction



This Sector Brief provides insights into the current state of the Garment, Footwear, and Travel Goods (GFT) sector in Cambodia, based on publicly available and official statistics. It focuses on the performance and trends observed in the sector, specifically examining the first four months of 2023 (M4 2023). This analysis considers the global challenges faced by the industry, including geopolitical conflicts, inflation concerns, and buyer market dynamics. The Textile Apparel Footwear and Travel Goods Association in Cambodia (TAFTAC) and the European Chamber of Commerce in Cambodia (EuroCham) extend their gratitude to the relevant authorities for providing the data used in this Sector Brief.

3. Sector Trends

Overall

The Garment, Footwear, and Travel Goods (GFT) sector is a vital pillar of Cambodia's economy, driving a significant portion of its exports and serving as a lifeline during the pandemic when other sectors, like tourism, logistics and construction, faced major setbacks.

Contributing over 11% of GDP in 2022, and with over 855,000 workers in 2023 (80% of them women) the GFT sector is the largest formal employer in the country and has helped lift millions out of poverty.

Cambodia's garment exports are primarily divided into two categories: 70% are Cut, Make, Trim (CMT) products, which involve simpler processes and are generally lower value-add, while the remaining 30% are products with slightly higher value-added features.

Unlike other garment producing nations such as China, India, and Pakistan, Cambodia has negligible cotton and natural fiber production, relying heavily on imports for raw materials and machinery. There is also limited vertical integration into textile manufacturing processes such as yarn spinning and fabric manufacturing.

Despite global challenges, the GFT sector showed notable resilience during the pandemic, with total exports even growing to record highs, reaching \$10.84 billion in 2019, slightly declining to \$9.77 billion in 2020, before rebounding to \$11.2 billion in 2021 and \$12.8 billion in 2022 (Figure 2). The growth in exports was accompanied by an increase in raw materials imports (Figure 3), demonstrating the sector's demand for and reliance on external resources.

2019 – 2022: Subsector Trends



Garment exports declined to \$9.76 billion in 2020 but rebounded in 2021 and 2022 with increases of 8.51% and 12.40%, respectively.



Footwear exports declined to \$1.12 billion in 2020 but rebounded in 2021 and 2022 with increases of 24.67% in 2021 and 24.77% in 2022.



Travel good exports declined to \$0.96 billion in 2020 but rebounded in 2021 and 2022 with increases of 54.95% in 2021 and 18.91% in 2022.

The success of the Cambodian GFT sector highlights its critical importance for job creation, growth, and economic stability. Cambodia accounted for roughly 4.5% of the global GFT export market in 2022. By addressing challenges related to sustainability, raw material sourcing and advancing value-added production, Cambodia can strengthen its position in the global market and create a sustainable future for its garment industry.

FIGURE 1: MARKET SHARE OF THE TOP 15 GFT PRODUCERS FROM 2013-2022 (% OF ANNUAL EXPORTS TO THE WORLD FROM DEVELOPING COUNTRIES)

No	Country	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Average Change 2013-2022
1	China	44.8%	43.7%	42.3%	39.5%	38.4%	37.3%	36.2%	35.3%	34.6%	34.2%	-1.20%
2	Bangladesh	10.9%	11.3%	12.4%	13.5%	13.7%	14.3%	14.7%	14.9%	16.1%	17.0%	0.73%
3	Viet Nam	6.1%	6.8%	7.7%	8.1%	8.4%	8.6%	9.2%	9.5%	9.0%	9.6%	0.38%
4	Türkiye	9.6%	9.1%	8.6%	8.7%	8.4%	8.4%	8.4%	9.1%	9.8%	8.9%	-0.07%
5	India	6.5%	6.7%	6.5%	6.5%	6.3%	6.1%	5.9%	5.3%	5.3%	5.3%	-0.10%
6	Cambodia	2.0%	2.4%	2.9%	3.5%	4.0%	4.2%	4.3%	4.1%	3.7%	3.9%	0.23%
7	Indonesia	3.1%	2.9%	3.1%	3.2%	3.1%	3.0%	2.9%	3.1%	3.0%	3.2%	-0.01%
8	Pakistan	1.8%	2.1%	2.3%	2.5%	2.6%	2.5%	2.7%	2.9%	3.2%	3.1%	0.14%
9	Myanmar	0.1%	0.2%	0.4%	0.7%	1.1%	1.7%	2.3%	2.8%	2.3%	2.8%	0.27%
10	Morocco	3.0%	3.0%	2.7%	2.9%	2.9%	2.9%	2.8%	2.6%	2.9%	2.6%	-0.05%
11	Tunisia	3.0%	2.8%	2.5%	2.4%	2.3%	2.3%	2.2%	2.1%	2.1%	2.0%	-0.11%
12	Sri Lanka	1.0%	1.1%	1.1%	1.1%	1.1%	1.2%	1.3%	1.3%	1.3%	1.2%	0.02%
13	Albania	0.5%	0.6%	0.6%	0.6%	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%	0.02%
14	Thailand	1.0%	0.9%	0.8%	0.7%	0.7%	0.7%	0.7%	0.7%	0.6%	0.6%	-0.06%
15	Serbia	0.5%	0.5%	0.5%	0.5%	0.5%	0.6%	0.6%	0.5%	0.5%	0.5%	0.00%

Source: MOLVT, Ministry of Labour and Vocational Training

M4 2023

Context

A deceleration from 2022's peak performance was somewhat anticipated. McKinsey's report, "The State of Fashion 2023," released in October 2022¹, fittingly bore the subtitle "Holding onto Growth as Global Clouds Gather."

The Business of Fashion-McKinsey State of Fashion 2023 Survey offered the following insights:

- ▶ 56% of brand executives expected 2023 to see a decrease in sales.
- ▶ 66% expected to "near shore" move their production hubs closer to home.
- ▶ Luxury brands were expected to perform better than mid-range / low-tier brands.
- ▶ 79% of brand executives considered the lack of standards to assess sustainability performance as the greatest hurdle to improving how consumers perceive their sustainability efforts.

The report also forecasted that 10 key trends would gain prominence in 2023:

Economic Trends: Global Fragility (inflation & low consumer confidence), Regional Realities (brands near and friend shoring).

Consumer Trends: Two-Track Spending (many consumers will stop buying or look for cheaper, wealthier consumers may spend more), Uptake in Fluid Fashion, Formalwear Reinvented.

Fashion Industry Trends: Expect to see more: DTC (direct-to-consumer) marketing, Tackling Greenwashing (standards & metrics for sustainability), Future-Proofing Manufacturing (increases digitization in supply chain management), Novel Approaches to Digital Marketing (Web3 etc.) and Organization Overhaul (new visions & strategies, most likely around sustainability).

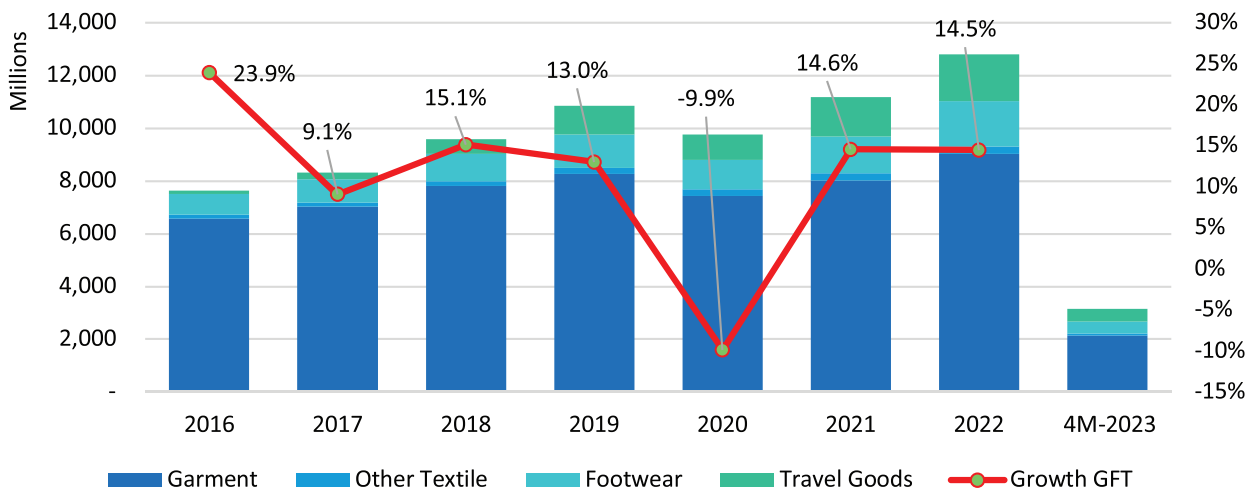
¹ McKinsey: The State of Fashion 2023, 18th October, 2022: <https://www.mckinsey.com/~/media/mckinsey/industries/retail/our%20insights/state%20of%20fashion/2023/the-state-of-fashion-2023-holding-onto-growth-as-global-clouds-gathers-vf.pdf>

Situation in Cambodia

In the first four months of 2023, many of the predicted trends have materialized, with global economic challenges having a significant impact on Cambodia’s GFT sector^{2,3}.

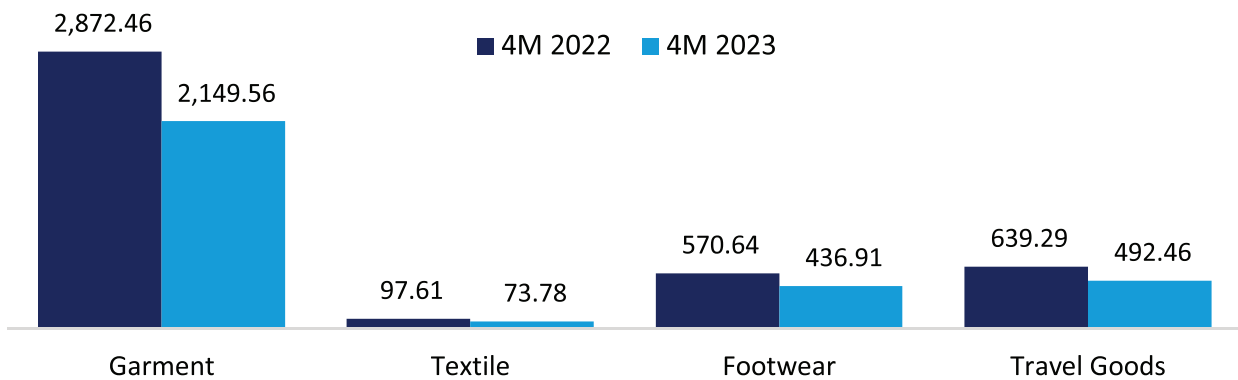
Total GFT exports decreased from \$4.18 billion to \$3.15 billion (24.58%) when compared to M4 2022. Specifically, garment exports decreased by 25.17%, footwear exports by 23.33%, and travel goods by 32.8%. (See Figure 3).

FIGURE 2: TREND OF GFT EXPORTS 2012 TO M4-2023



Source: GDCE, Ministry of Economy and Finance

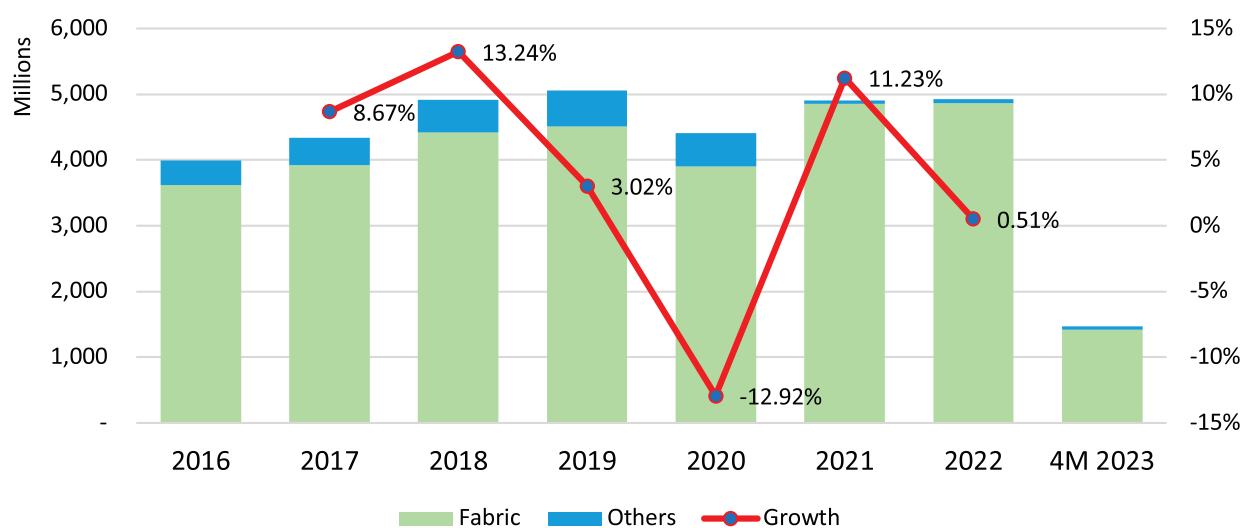
FIGURE 3: TREND OF GFT EXPORTS (MILLIONS) M4 2022-2023



Source: GDCE, Ministry of Economy and Finance

² Total exports of GFT products in 2022 were \$12,811.21 million, in which Garment and Textiles represented \$9,296.71 million, Footwear \$1,737.11 million, and Travel Goods \$1,777.39 million.

³ Ministry of Commerce (MOC), Trade statistics report 2020 and 2021. MOLVT, Annual Report 2022 and Annual Report Q1 2023.

FIGURE 4: TREND OF IMPORTED RAW MATERIALS FOR THE GFT SECTOR (2012 TO M4-2023)

Source: GDCE, Ministry of Economy and Finance

Factory Openings & Employment

While resilient, the GFT sector experiences annual variations with factories opening, closing, or temporarily halting operations.

Overall, the number of GFT workers in Cambodia has remained stable, with 849,987 in 2021, 884,151 in 2022, and 855,021 as of M4 2023. However, these figures mask the challenges faced by workers, such as changing factories, adapting to suspensions, or dealing with economic uncertainty.

According to Ministry of Labour and Vocational Training Annual Report⁴, in 2022, 132 factories had closed, and 71 factories were suspended, resulting in 93,056 workers being unemployed or suspended⁵. This was fortunately countered by the 234 factories that opened in 2022, and so overall the number of garment workers increased.

In the first quarter of 2023, however, this trend appears to be reversing, with more factories closing (31) or being suspended (63) than opening (35), resulting in a decline in workers of 29,000 to 855,021.

These closures and suspensions are undoubtedly due to the global reduction in GFT orders, as brands deal with unsold stock from 2022, and demand slows in the major buying markets⁶.

⁴ Source: Ministry of Labour and Vocational Training (MoLVT).

⁵ In 2022, 52,502 workers were affected by factory closures and 40,554 workers were temporarily unemployed due to factory suspensions.

⁶ By the first quarter of 2023, 35 factories opened employing 12,566 workers, 31 factories closed leaving 42,882 temporarily unemployed, and 6 factories were suspended affecting 25,563 workers.

TABLE 4: FACTORY OPENINGS, CLOSURES, AND SUSPENSIONS

Description	2021	2022	M4 2023
Openings	191	234	35
Closures	164	132	31
Net openings (Openings – Closures)	27	102	4
Suspended*	19	71	63
Total GFT factories	1,219	1,321	1,325
Workers in opened factories	71,472	72,154	12,566
Workers in closed factories	73,387	52,502	42,882
Workers in suspended factories	7,255	40,554	25,563
Net job losses (= opened – closed – suspended)	(9,170)	(20,902)	(55,879)
Total workers	849,987*	884,151	855,021

Suspended: Number of factories which postpone their work for a while, but do not declare full closure.

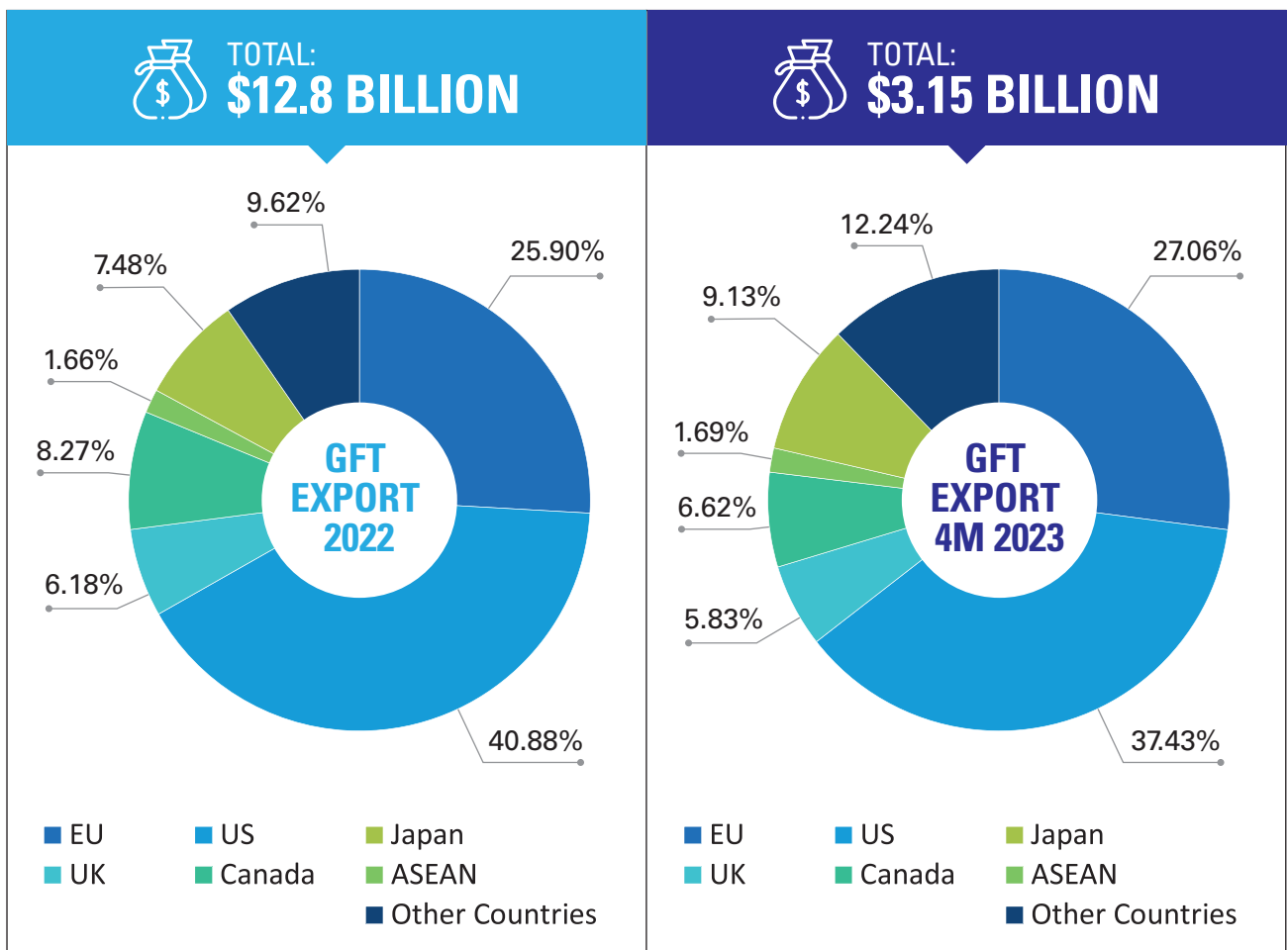
Source: MOLVT, Ministry of Labour and Vocational Training

*Note: The previous Cambodia Garment, Footwear, and Travel Goods (GFT) Sector Brief (Issue No. 1) was published in November 2022. It reported 672,000 GFT workers in 718 factories in 2021, based on MOC and NIS statistics. We believe the discrepancy between the 849,987 employees reported by the MOLVT in Table 1 and the 715,121 by the MOC is attributed to the MOC only including export-oriented factories, while the MOLVT includes all registered GFT factories in the kingdom.

4. Major Export Markets

Cambodia's GFT sector primarily exports to the United States (US), the European Union (EU), the United Kingdom (UK), Japan and Canada. These export markets will be covered in detail in the next section. Other markets remain important however, as increasingly South Korea, China, certain middle eastern states, and other ASEAN member states purchase Cambodia's GFT products.

FIGURE 5: GFT EXPORTS IN 2022 AND M4 2023 BY MAIN MARKET



Source: GDCE, Ministry of Economy and Finance

GFT Exports by Main Market

2016
to
2022

Cambodia's total GFT exports have trended consistently upwards. The Compound Annual Growth Rate (CAGR) of GFT exports from 2016 to 2022 was approximately 11.91%. There was a decline in total export value from 2019 to 2020, with a drop of about 10%, followed by a significant rebound to record highs both in 2021 and 2022.



The United States

The United States is consistently one of the largest export destinations, with export values increasing from \$1.91 billion in 2016 to **\$5.24 billion in 2022**, a growth of 173%. In 2019, the US overtook the EU as the largest destination for Cambodian GFT Products.



EU

Despite the rise of the US, GFT exports to the European Union (EU) remain integral, increasing from \$2.58 billion in 2016 to **\$3.32 billion in 2022** (an increase of around 29%).



UK

Exports to the United Kingdom (UK) were relatively stable even during the pandemic, declining slightly from \$0.85 billion in 2016 to **\$0.79 billion in 2022**.



Canada

Canada represented an understated, but increasingly important export market. The 2016 to 2022 period witnessed substantial growth, with GFT exports increasing from \$0.56 billion in 2016 to **\$1.06 billion in 2022**, an 89% increase.



Japan

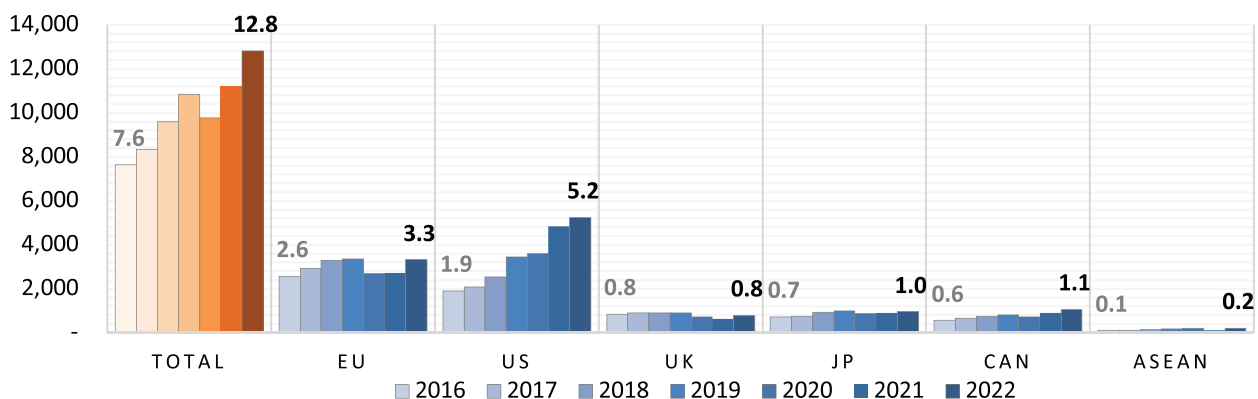
Exports to Japan have also been creeping upwards, ranging between \$0.73 billion in 2016 to **\$0.96 billion in 2022**, an overall increase of 31%.



ASEAN

Like Japan, Exports to ASEAN countries enjoyed stable growth. Albeit from a low baseline, exports ranged between \$0.11 billion in 2016 to **\$0.21 billion in 2022**, a modest increase of 45%.

SUMMARY: EXPORT BY MAIN MARKET (2016 TO 2022, US\$ BN)



Source: GDCE, Ministry of Economy and Finance

SUMMARY: GFT EXPORTS BY MAIN MARKET (2016 TO 2022, US\$ BILLIONS)

Year	Total	EU	US	UK	JP	CAN	ASEAN
2016	7.64	2.58	1.91	0.85	0.73	0.56	0.11
2017	8.33	2.93	2.08	0.91	0.75	0.65	0.12
2018	9.59	3.29	2.54	0.92	0.93	0.75	0.14
2019	10.84	3.36	3.46	0.89	0.99	0.82	0.17
2020	9.77	2.69	3.58	0.72	0.87	0.73	0.2
2021	11.19	2.73	4.83	0.64	0.9	0.91	0.13
2022	12.81	3.32	5.24	0.79	0.96	1.06	0.21

Source: GDCE, Ministry of Economy and Finance

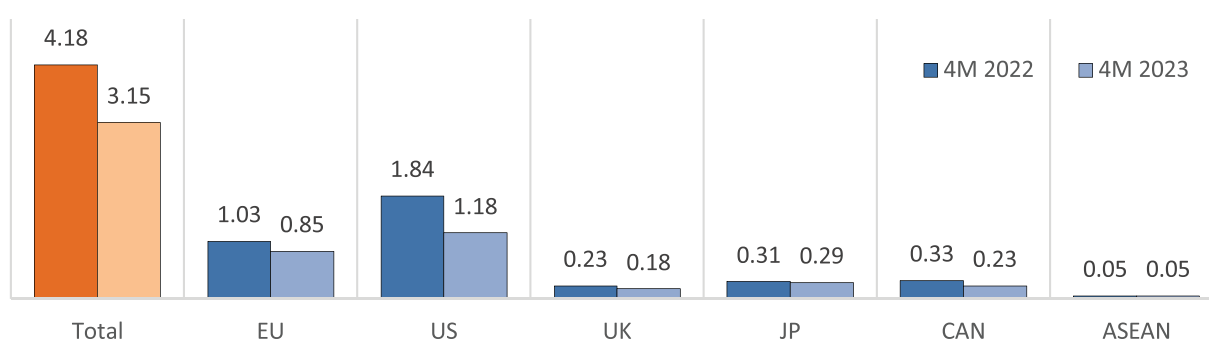
M4 2022 to M4 2023

Comparisons between M4 2023 and M4 2022 reveal a different picture to the growth enjoyed from 2016 to 2022. Across the board, there has been a significant decline in total GFT exports, with a drop of approximately \$1.03 billion.

This decline is reflected in exports to the European Union (EU), the United States (US), the United Kingdom (UK), Japan (JP), Canada (CAN). The greatest decrease in exports is observed for the US, where there has been a 36% decline, representing \$663.6 million.

The exception is a marginal increase in exports to ASEAN, which grew 6.8% (approximately \$3.4 million) from \$49.96m to 53.4m.

The M4 2023 period showcases a challenging trade environment, marked by shifts in demand from buyer markets, and early signs of “near shoring” towards geographically closer markets. In general, exports declined more significantly to destinations that were farther away.

SUMMARY: EXPORT BY MAIN MARKET (M4 2022 TO M4 2023, US\$ BILLIONS)

Source: GDCE, Ministry of Economy and Finance

SUMMARY: GFT EXPORTS BY MAIN MARKET (M4 2022 TO M4 2023, US\$ BILLIONS)

M4	Total	EU	US	UK	JP	CAN	ASEAN
M4 2022	4.18	1.03	1.84	0.23	0.31	0.33	0.0499
M4 2023	3.15	0.85	1.18	0.18	0.29	0.23	0.0534
Diff (%)	-24.6%	-17.3%	-36.0%	-19.7%	-8.4%	-29.8%	6.8%

Source: GDCE, Ministry of Economy and Finance



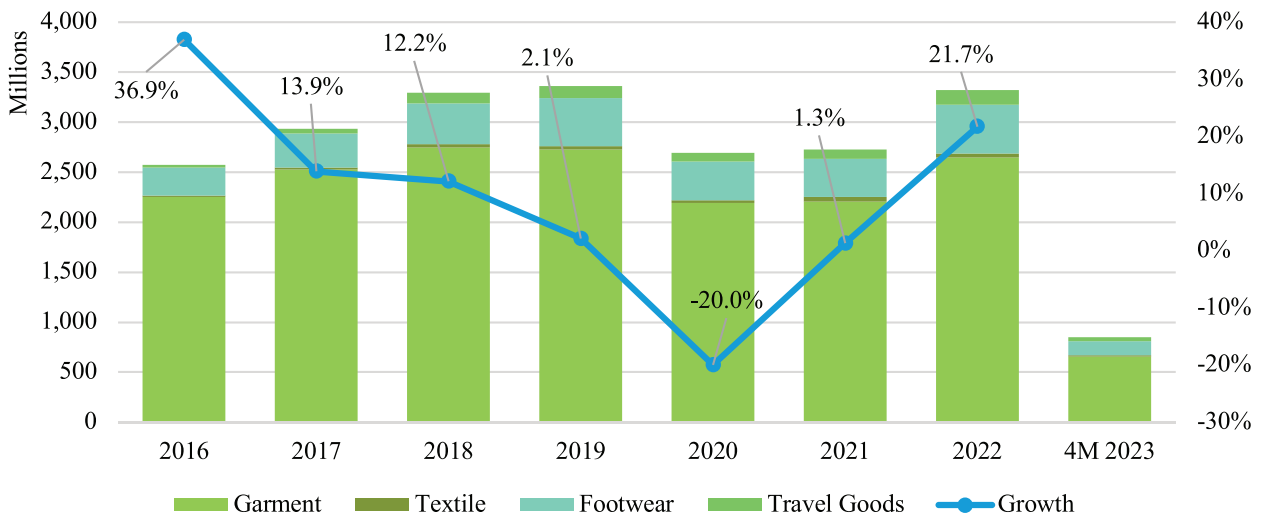
THE EUROPEAN UNION (EU)

Historical GFT Trade

Boosted by Trade Agreements such as Everything But Arms (EBA), the European Union (EU) remains a major market for Cambodia’s GFT sector, accounting for a total export value of \$3.32 billion in 2022. This includes \$2.65 billion for apparel products, \$0.49 billion for footwear, \$0.15 billion for travel goods, and \$0.04 billion for other textile products.

The Everything-But-Arms agreement was partially removed on 12th August 2020, affecting around 20% of Cambodia’s GFT export products to the EU. However, despite the partial withdrawal, exports to the EU have now largely recovered to their pre-pandemic levels.

FIGURE 6: GFT EXPORT TREND: EU MARKET



Source: GDCE, Ministry of Economy and Finance

GFT Products

GFT exports to the EU dropped in 2020 due to the pandemic, but increased in both 2021 and 2022. The average annual growth rate of exports to the EU from 2016 to 2022 was 3.68%, though this figure masks quite significant yearly fluctuations. GFT exports to the EU reached a peak of \$3.36 billion in 2019. Although this dipped between 2020 and 2021, by 2022, as market confidence returned, exports reached \$3.32 billion. Key buyers among the 27 EU countries include Germany, Spain, Belgium, Netherlands, France, and Italy.





Garments

Overall, garment exports to the EU increased from \$2.21 billion in 2021 to **\$2.65 billion** in 2022 – a growth rate of 19.85%. In 2022, the main markets for Cambodia’s garment exports within the EU were Germany, followed by Belgium, Spain, Netherlands, and France.



Footwear

In the footwear sector, exports to the EU increased by 27.66% from 2021 to 2022, from \$383.05 million to **\$488.99 million**. Germany is the largest buyer of Cambodian-produced footwear in the EU, followed by France, the Netherlands, Italy, and Spain.



Travel Goods

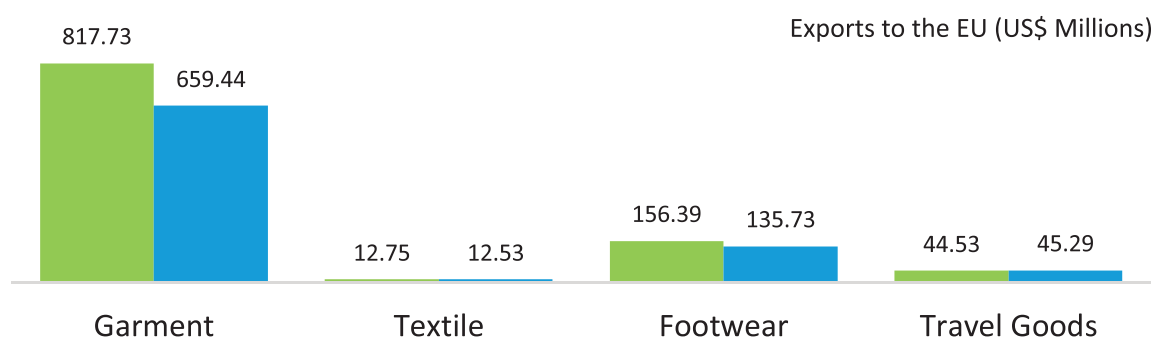
Travel goods exports have grown substantially from \$92.83 million in 2021 to **\$145.43 million** in 2022. In 2022, the main market for Travel Goods in the EU was the Netherlands, followed by Germany, Italy, Belgium, and Spain.

Current GFT Trade

M4 2023 data has shown an overall decline in GFT exports to the EU of 17.30% compared to M4 2022 - \$1.031 billion in to \$0.852 billion.

By subcategory, Garment, other Textile, and Footwear exports have decreased by 19.36%, 1.70%, and 13.21% respectively. There is a silver lining however, with travel goods exports increasing by 1.70%, rising slightly from \$44.53 million to \$45.29 million, likely due to the reopening of the world’s borders, and the slow revitalization of the tourism industry following the pandemic.

Figure 7: EXPORT OF GFT PRODUCTS TO THE EU (M4 OF 2022-2023)



Source: GDCE, Ministry of Economy and Finance

Overall Exports to the EU

Summary: The EU serves as a buying partner not only for GFT products but for many commodities, and it is important to understand the context of GFT trade within overall exports.

Total exports to the EU increased from \$3.20 billion in 2020 to \$3.23 billion in 2021, and further increased to \$4.05 billion in 2022. In particular, the EU has been importing more Cambodian rice, rice husks and bicycles, as well as automotive spare parts, toys, and electronic products (transformers and converters), which can be found in the “Others” category.

2023: 2023 has seen a notable decline in overall exports. Data for the first four months of 2023 shows a decrease of 13.60% compared to the same period in 2022. While Cambodia's main export products, such as GFT products and bicycles have experienced a decline, there has been an increase in rice exports, and an almost 38% increase in exports of products in the "Others" category. This could be a promising sign that Cambodia is starting to diversify its export base to new product categories.

TABLE 2: TOTAL CAMBODIAN EXPORTS THE EU (2021-M4 2023)

Commodities	2021	2022	M4 2022	M4 2023	Change 2021-2022	Change M4 2022-M4 2023
Garments	2,193,863,732	2,645,976,710	817,732,500	659,439,318	20.61%	-19.36%
Textiles	25,286,700	37,742,617	12,751,968	12,534,576	49.26%	-1.70%
Footwears	385,745,128	488,994,871	156,392,547	135,727,827	26.77%	-13.21%
Travel Goods	85,633,487	145,425,249	44,531,889	45,290,714	69.82%	1.70%
Bicycle	275,231,501	432,621,238	127,437,800	111,580,763	57.18%	-12.44%
Rice	129,208,567	143,439,953	47,096,154	52,910,610	11.01%	12.35%
Others	134,009,936	151,066,948	47,880,824	65,845,441	12.73%	37.52%
Total	3,228,979,053	4,045,267,587	1,253,823,682	1,083,329,250	25.28%	-13.60%

Source: GDCE, Ministry of Economy and Finance



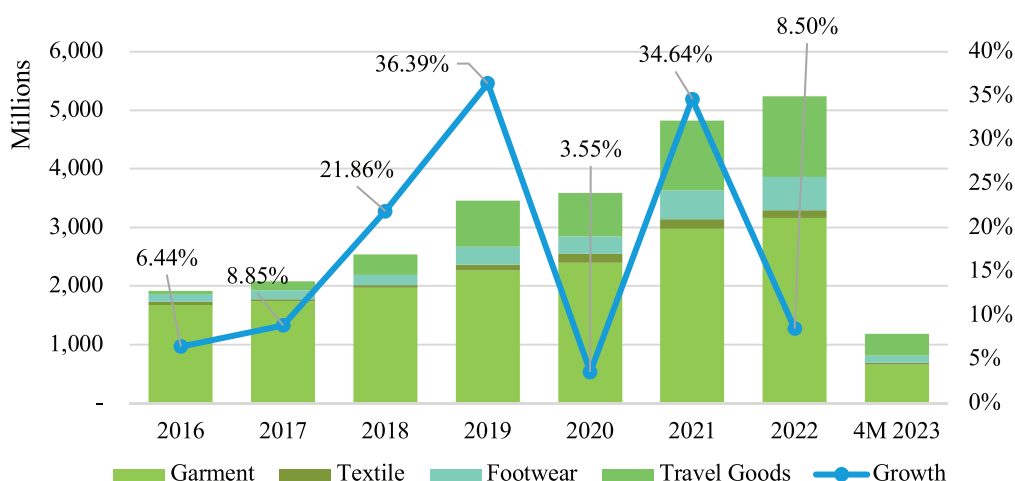
THE UNITED STATES (US)

Historical GFT Trade

Like the EU, exports to the U.S. have been instrumental in supporting Cambodia's economy. The US has played a major role in keeping Cambodia's economic engine running despite the difficult circumstances of the pandemic, and it is currently the largest export destination for Cambodian GFT products.

From 2016 to 2022, exports of GFT products to the United States experienced remarkable growth, averaging 18.27% annually. Despite an initial pandemic slowdown to just 3.55% growth in 2020 (though still growth nonetheless), the rate surged in 2021 (34.64%) and 2022 (8.5%) to reach \$5.24 billion. The growth has been particularly pronounced for Travel Goods. In 2022, the export of Garments rose by 19.84%, Footwear by 27.65%, and Travel Goods by an impressive 55.66%.

FIGURE 8: GFT EXPORT TREND: US MARKET

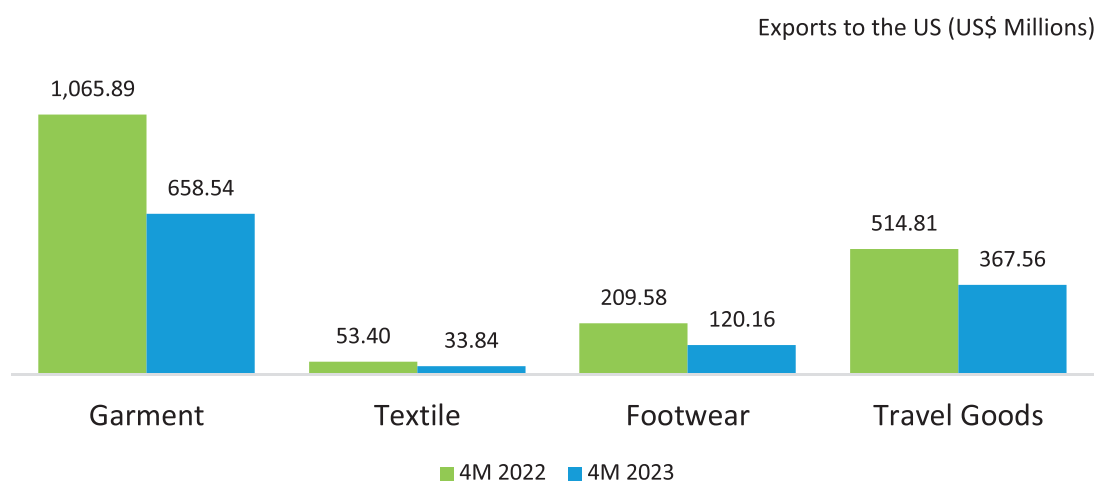


Source: GDCE, Ministry of Economy and Finance

Current GFT Trade

The US remains a vital destination for Cambodia’s GFT products, but recent data shows a slowdown in early 2023. GFT exports have declined by a significant 35.99% between M4 2022 and M4 2023 (Table 3, Garments + Textiles + Footwear + Travel Goods). The total export value for the sector has decreased from \$1.84 billion in M4 2022 to \$1.18 billion in M4 2023. Specifically, Garment exports have decreased by 38.22%, Footwear by 42.67%, and Travel Goods by 28.60%. This is notably different from the EU, which saw an increase in Travel Goods exports for the same period.

FIGURE 9: EXPORT OF GFT PRODUCTS TO THE US (M4 OF 2022-2023)



Source: GDCE, Ministry of Economy and Finance

Overall Exports to the US

Summary: Cambodia's total exports (of all commodities) to the US enjoyed a remarkable surge between 2021 and 2022. After a slowdown in 2020, exports soared by 42.43% to reach \$7.49 billion in 2021. The positive trend continued with a significant increase to \$8.97 billion in the following year, marking a growth rate of 19.74%. The US market serves as a vital destination not only for GFT products but also for other commodities, notably bicycles, and increasingly items in the "Others" category such as electric lights & appliances, plastic shutters, furniture, and semi-conductors. Of general interest, Cambodia has a thriving Christmas tree light trade with the United States, exports of the product worth around \$356m in 2021.

2023: Exports to the US experienced a dip during the first four months of 2023, with a decline of 16.2% from \$2.92 billion to \$2.45 billion compared to the same period last year. So far at least, the global economic downturn appears to have had a greater impact on Cambodian exports to the US than to the EU.

TABLE 3: TOTAL CAMBODIAN EXPORTS THE US (2021-M4 2023)

Commodities	2021	2022	M4 2022	M4 2023	Change 2021-2022	Change M4 2022-M4 2023
Garments	2,979,987,108	3,163,327,708	1,065,893,778	658,535,464	6.15%	-38.22%
Textiles	156,503,272	132,327,479	53,402,549	33,838,926	-15.45%	-36.63%
Footwears	498,968,909	570,528,908	209,584,892	120,160,904	14.34%	-42.67%
Travel Goods	1,191,850,923	1,371,347,296	514,807,052	367,556,549	15.06%	-28.60%
Bicycle	253,697,325	318,786,972	129,344,050	35,122,965	-76.48%	-72.85%
Rice	7,277,648	7,277,648	98,653	870,116	0.00%	782.00%
Others	2,401,863,734	3,664,258,386	950,608,039	1,233,889,359	52.56%	29.80%
Total	7,490,148,920	8,968,726,090	2,923,739,012	2,449,974,282	19.74%	-16.20%

Source: GDCE, Ministry of Economy and Finance



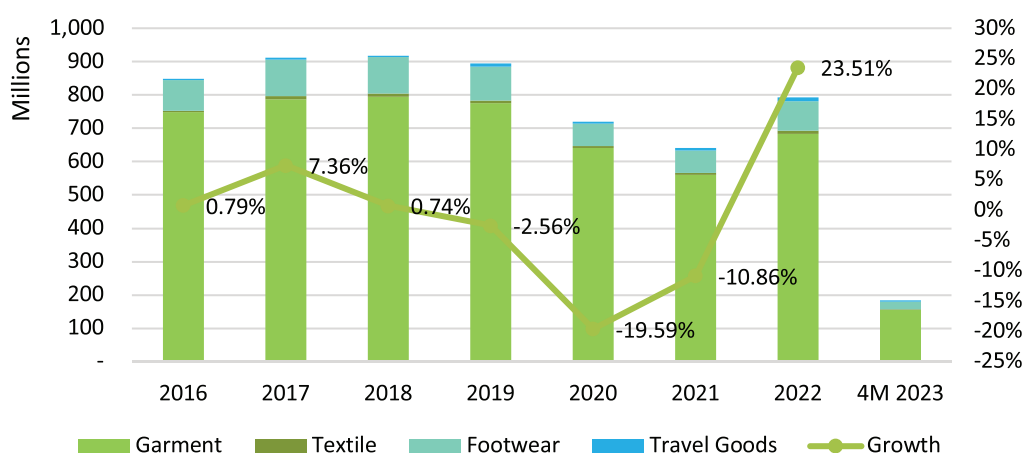
THE UNITED KINGDOM (UK)

Historical GFT Trade

The UK remains a significant market for Cambodia's GFT products. Exports to the country saw substantial growth in 2022, with garment, footwear, and travel goods exports increasing by 22.09%, 34.45%, and 17.63% respectively.

After reaching a peak value of just over \$900m in 2018, exports to the UK had been declining between 2019 and 2021, but 2022 witnessed a rebound to \$791.93 million.

FIGURE 10: GFT EXPORT TREND: UK MARKET

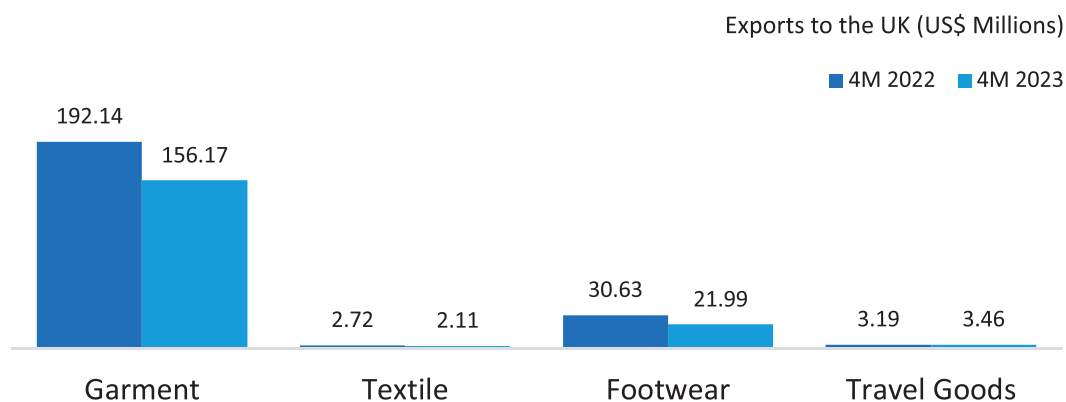


Source: GDCE, Ministry of Economy and Finance

Current GFT Trade

The first four months of 2023 have seen total GFT exports to the UK decline by 19.7% compared to the same period in 2022. Specifically, garment exports decreased by 19.36%, footwear by 13.21%. As with the EU, there was a slight 1.70% increase in travel good exports.

FIGURE 11: EXPORT OF GFT PRODUCTS TO THE UK (M4 OF 2022-2023)



Source: GDCE, Ministry of Economy and Finance

Overall Exports to the UK

Summary: Despite a decline of 11.42% between 2020 and 2021, Cambodia's overall export (all commodities) to the UK rebounded strongly in 2022, increasing by 21.12% to reach \$886.42 million. Notably, GFT products, plywood, and rice witnessed significant growth rates of 23.51%, 89.46%, and 57.08%, respectively.

2023: Overall exports to the UK have declined by 20.34%. This is a larger M4 decline than witnessed for the US (16.2%), and the EU (8.44%). However, there is a noteworthy growth in the "Others" category, which includes items like plastic shutters, transformers, toys, and automotive parts.

In a positive development, Cambodia began to benefit from the UK's Developing Countries Trading Scheme (DCTS) in April 2023, replacing the previous UK GSP (Generalised System of Preferences). While it remains uncertain if this new scheme will boost exports to the UK market, it presents an interesting opportunity for future growth.

TABLE 4: TOTAL CAMBODIAN EXPORTS THE UK (2021-M4 2023)

Commodities	2021	2022	M4 2022	M4 2023	Change 2021-2022	Change M4 2022-M4 2023
Garments	559,725,466	683,391,759	192,142,012	156,169,479	22.09%	-18.72%
Textiles	6,086,029	8,636,844	30,632,916	21,985,034	41.91%	-28.23%
Footwears	66,729,883	89,718,140	3,185,489	3,461,492	34.45%	8.66%
Travel Goods	8,653,133	10,178,826	2,720,014	2,108,498	17.63%	-22.48%
Bicycle	58,538,797	59,658,666	23,893,346	11,105,216	1.91%	-53.52%
Rice	7,277,648	11,431,577	3,554,623	6,204,090	57.08%	74.54%
Others	24,831,506	23,407,807	7,040,259	8,596,242	-5.73%	22.10%
Total	731,842,462	886,423,619	263,168,657	209,630,051	21.12%	-20.34%

Source: GDCE, Ministry of Economy and Finance



JAPAN

Historical GFT Trade

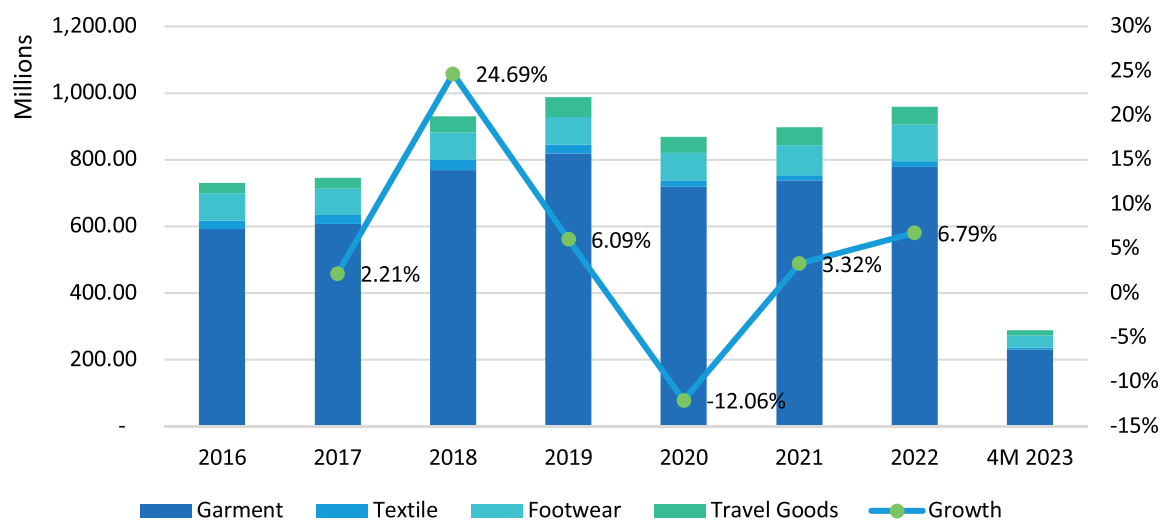
Japan has emerged as a significant market for Cambodia's GFT products, and in an era of "near shoring" and "friend shoring," may become more important for Cambodia in the future.

Japan and Cambodia are both signatories of the Regional Comprehensive Economic Partnership Agreement (RCEP) and the ASEAN-Japan Comprehensive Economic Partnership Agreement (AJCEP) and have openly discussed plans for a bilateral Cambodia-Japan FTA⁷.

Since the pandemic, exports of GFT products to Japan had been declining. As with the UK, this trend reversed in 2022 when people began to anticipate a "return to normal," and exports reached \$958.53 million. Between 2021 and 2022, while garment and footwear experienced growth rates of 5.64% and 21.77% respectively, there was a slight decrease of 3.45% in travel goods.

⁷ Cambodia eyes free trade agreement with Japan. Khmer Times. June 2023. <https://www.khmertimeskh.com/501306688/cambodia-eyes-free-trade-agreement-with-japan/>

FIGURE 12: GFT EXPORT TREND: JAPANESE MARKET

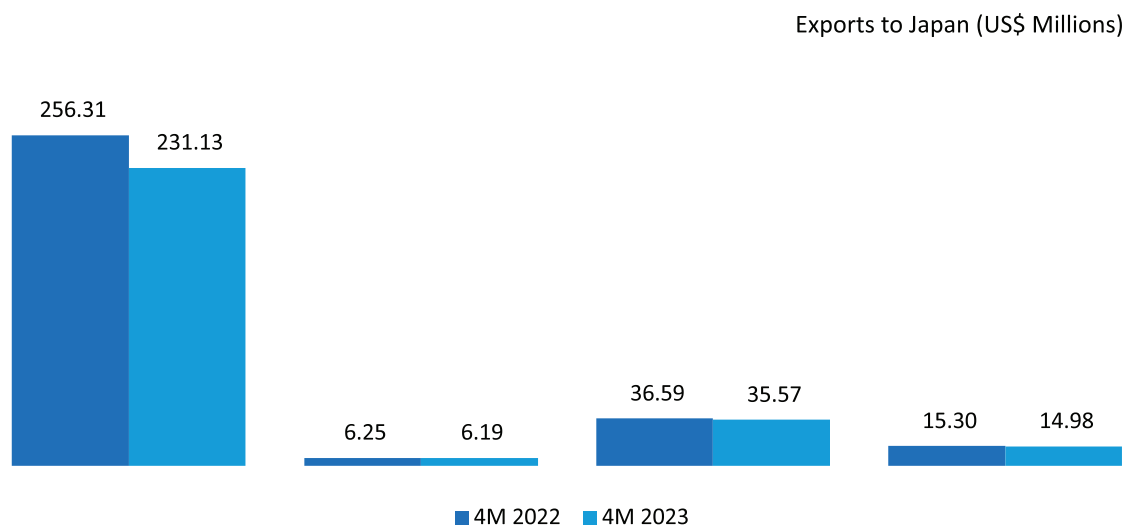


Source: GDCE, Ministry of Economy and Finance

Current GFT Trade

In M4 2023, GFT exports to Japan decreased by 8.45% compared to the same period in 2022. Exports currently total just over \$371 million. Notably, garment exports saw a decline of 9.82%, while footwear and travel goods experienced smaller decreases of 2.79% and 2.04% respectively.

FIGURE 13: EXPORT OF GFT PRODUCTS TO JAPAN (M4 OF 2022-2023)



Source: GDCE, Ministry of Economy and Finance

Overall Exports to Japan

Summary: Under the Most Favored Nation (MFN) Framework, Cambodia's export performance in the Japanese market has been noteworthy. Cambodia's total exports to Japan increased by 3.61% in 2021. With new agreements such as the Regional Comprehensive Economic Partnership (RCEP) framework, exports continued to rise in 2022 by another 7.05% to reach an impressive \$1.173 billion.

Notably, products such as travel goods, bicycles, vehicle spare parts, insulated wire, and various agricultural products like mango, cashew nuts, and rubber enjoyed significant growth in export value from 2021 to 2022. Such growth highlights Cambodia's ability to deliver high-quality goods and reinforces its position as a reliable trading partner within the region. It also underscores the potential for further expansion and collaboration between Cambodia and Japan in the future, fueling optimism for continued trade success.

2023: Such optimism is demonstrated in M4 2023 Trade Data. While overall exports to the EU, US, Canada, and UK decreased more than 13%, exports to Japan decreased by just 4.05%. Cambodian exports of garments, travel goods and bicycles decreased, but this was countered by an impressive 10.14% increase in exports in the "Others" category, and a 14.05% increase in automotive spare parts. For Japan products in the "Others" category include wiring sets, electronic parts & appliances, toys, furniture, bananas, and cashew nuts.

TABLE 5: TOTAL CAMBODIAN EXPORTS TO JAPAN (2021-M4 2023)

Commodities	2021	2022	M4 2022	M4 2023	Change 2021-2022	Change M4 2022-M4 2023
Garments	737,688,347	779,273,521	256,313,031	231,134,874	5.64%	-9.82%
Textiles	15,577,678	17,175,266	6,246,710	6,186,984	10.26%	-0.96%
Footwears	90,017,476	109,616,294	36,593,783	35,572,363	21.77%	-2.79%
Travel Goods	54,345,926	52,469,108	15,296,598	14,984,945	-3.45%	-2.04%
Bicycle	2,169,081	6,879,998	1,984,499	1,801,761	217.18%	-9.21%
Veh. Spare Parts	108,737,041	117,239,753	42,680,494	48,675,208	7.82%	14.05%
Others	85,092,812.07	90,376,305	30,179,677.74	33,238,537.71	6.21%	10.14%
Total	1,093,628,361	1,173,030,244	389,294,793	371,594,673	7.26%	-4.05%

Source: GDCE, Ministry of Economy and Finance



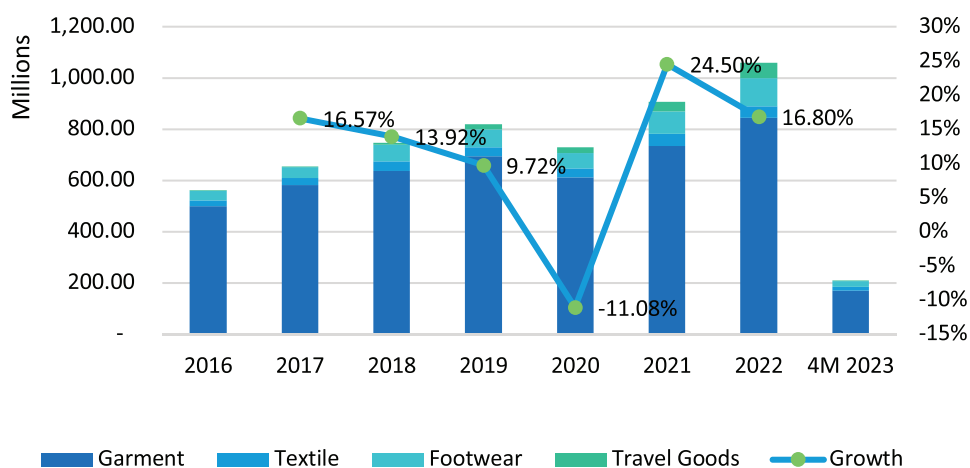
CANADA

Historical GFT Trade

Canada is an often overlooked but promising market for Cambodia's GFT products. Despite the challenges posed by the COVID-19 pandemic, the country's share of Cambodia's GFT exports has been growing steadily, reaching 8.2% in 2022. The export value of GFT products to Canada saw a remarkable surge in both 2021 (24.50%) and 2022 (16.80%), rising to \$1.059 billion in 2022.

By subcategory, 2022 witnessed garment exports increasing by 14.92%, footwear by 26.59%, and travel goods by an impressive 57.97% (see Figure 14). These trends reflect the potential of the Canadian market and the growing demand for Cambodian GFT products.

FIGURE 14: GFT EXPORT TREND: CANADIAN MARKET

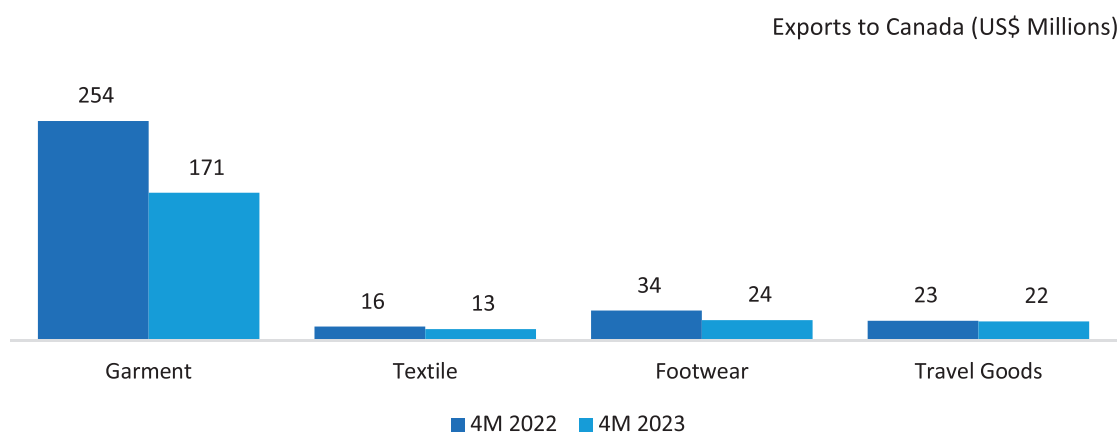


Source: GDCE, Ministry of Economy and Finance

Current GFT Trade

The first four months of 2023 witnessed a notable decline in GFT exports to Canada, with a decrease of 29.83% compared to the same period in 2022. This decline is particularly pronounced in the garment subsector, which decreased by 32.86%, and the footwear subsector, which decreased by 31.29%. Travel goods decreased by a more modest 3.65%.

FIGURE 15: EXPORT OF GFT PRODUCTS TO CANADA (M4 OF 2022-2023)



Source: GDCE, Ministry of Economy and Finance

Overall Exports to Canada

Summary: Cambodia enjoys duty and quota free access to Canada under the Most Favored Nation (MFN) Framework. Cambodia's total export to Canada grew 19.94% to reach \$1.12 billion in 2022, with notable growth in various product categories such as GFT (+16.80%), bicycles (+103.57%), electrical equipment and parts, and wood products.

2023: Like the EU, UK, and US, but notably differing from Japan, Canada has seen a significant (28%) decline in total exports in M4 2023 relative to M4 2022. GFT products appear particularly hard hit, but exports in vehicle spare parts, and in the "Others" category have increased. For Canada, products in the "Others" category include lighting sets, furniture, electronic appliances, bedding, and plastic shutters.

TABLE 6: TOTAL CAMBODIAN EXPORTS TO CANADA (2021-M4 2023)

Commodities	2021	2022	M4 2022	M4 2023	Change 2021-2022	Change M4 2022-M4 2023
Garments	734,732,553	844,346,373	254,187,092	170,659,492	14.92%	-32.86%
Textiles	47,036,455	44,544,523	15,820,481	13,308,002	-5.30%	-15.88%
Footwears	86,714,553	109,768,940	34,294,536	23,562,551	26.59%	-31.29%
Travel Goods	38,264,086	60,446,568	22,957,370	22,118,295	57.97%	-3.65%
Bicycle	8,990,314	18,296,991	3,714,295	3,603,356	103.52%	-2.99%
Veh. Parts	641,388	538,228	160,484	231,133	-16.08%	44.02%
Others	17,909,167	42,617,299	9,723,385	11,943,960	137.96%	22.84%
Total	934,288,516	1,120,558,922	340,857,644	245,426,788	19.94%	-28.00%

Source: GDCE, Ministry of Economy and Finance



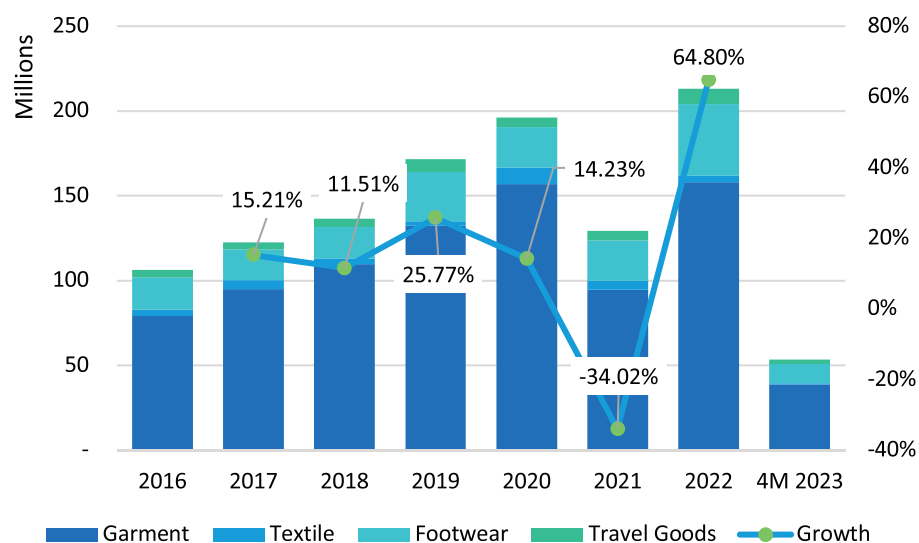
ASEAN

Historical GFT Trade

ASEAN has emerged as a moderately significant gravity-model trade partner for Cambodia's GFT products⁸. The sector's exports to ASEAN countries showed gradual growth from 2016 to 2020, with an average annual rate of 13.04%. In 2022, the exports to ASEAN member countries saw a remarkable increase of 64.80%, rebounding from a decline of 34.02% in 2021. The share of exports to ASEAN remains relatively small, accounting for just 1.58% of total GFT export in 2019- but it is growing. It reached \$213.25 million in 2022, contributing to 1.69% of total exports.

⁸ The gravity model of international trade states that the volume of trade between two countries is proportional to their economic mass and a measure of their relative trade frictions.

FIGURE 16: EXPORT OF GFT PRODUCTS TO ASEAN 2021-2022



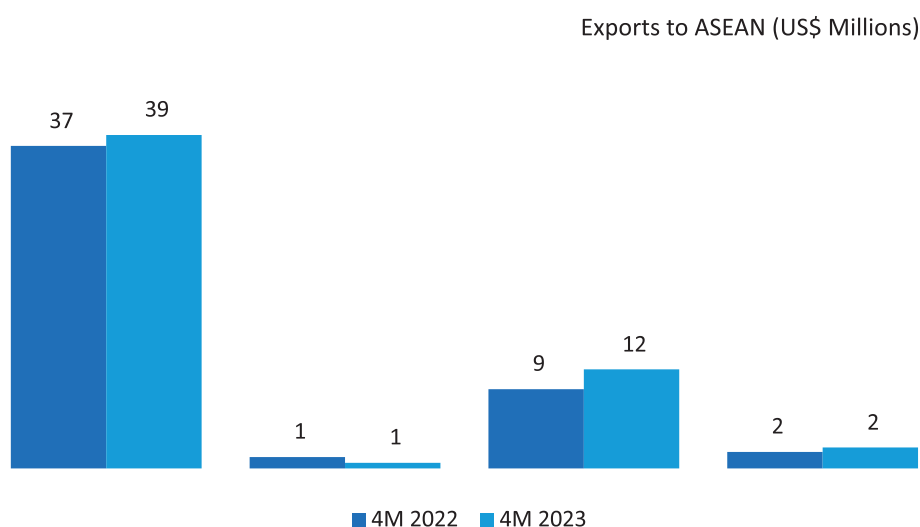
Source: GDCE, Ministry of Economy and Finance

Current GFT Trade

In 2022, GFT exports to ASEAN experienced significant growth, with Garment increasing by 67.10%, Footwear by 77.61%, and Travel Goods by 61.03%.

This trend continued in the first four months of 2023, with overall GFT exports to ASEAN countries rising by 6.85% compared to the same period in 2022. Notably, Garment exports increased by 3.44%, Footwear by 24.85%, and Travel Goods by 25.07%. This is of course a different trend to that seen in Cambodia's other major export markets, each of which measured a decline.

FIGURE 17: EXPORT OF GFT PRODUCTS TO ASEAN (M4 OF 2022-2023)



Source: GDCE, Ministry of Economy and Finance

Overall Exports to ASEAN

Under the ASEAN framework, Cambodia's export of all commodities to ASEAN grew at an average annual rate of 34.55% from 2016 to 2020. Despite a dramatic 68.37% decline in 2021, that upward trend looks set to continue.

Now part of the RCEP framework, exports to ASEAN rose dramatically in 2022 by 18.04%, reaching \$1.389 billion, with notable growth in products like bicycle, timber, poly wood, rice, cashew nuts, and insulated wire.

In the first four months of 2023, exports continued to increase, including of veneer, plywood, vehicle spare parts, insulated wire, steel and aluminum, cigarettes, and gold.

TABLE 7: TOTAL CAMBODIAN EXPORTS TO ASEAN (2021-M4 2023)

Commodities	2021	2022	M4 2022	M4 2023	Change 2021-2022	Change M4 2022-M4 2023
Garments	94,460,245	157,845,557	37,489,219	38,777,829	67.10%	3.44%
Textiles	5,480,397	4,037,976	1,324,218	683,113	-26.32%	-48.41%
Footwears	23,680,243	42,058,670	9,218,154	11,508,588	77.61%	24.85%
Travel Goods	5,781,773	9,310,304	1,928,769	2,412,325	61.03%	25.07%
Bicycle	572,003	1,101,975	389,014	399,879	92.65%	2.79%
Rice (Husked)	42,402,901	44,632,435	13,904,702	10,675,767	5.26%	-23.22%
Others	1,004,986,632	1,130,770,061	386,149,835	595,201,328	12.52%	54.14%
Total	1,177,364,193	1,389,756,980	450,403,910	659,658,829	18.04%	46.46%

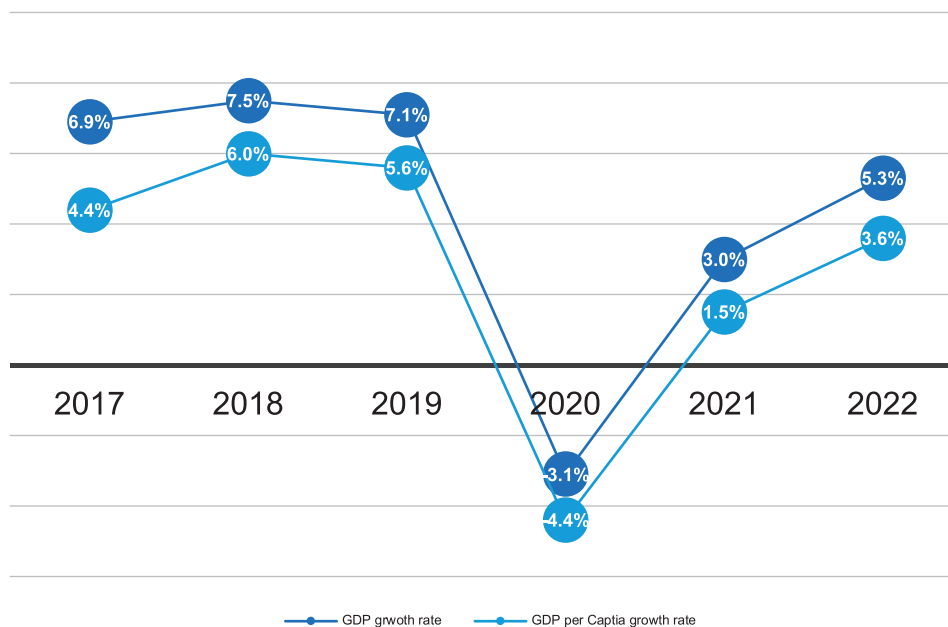
Source: GDCE, Ministry of Economy and Finance

5. Cross-Sector Economic Update 2023

GDP Growth

Cambodia's open market economy experienced rapid growth with an average rate of 6.5% in the five years before the pandemic. Nominal GDP reached \$27.03 billion in 2019 but fell to \$25.97 billion in 2020 due to the pandemic. Factoring in inflation, the real growth rates for 2021 and 2022 were 3.0% and 5.3%, respectively (see Figure 18).

FIGURE 18: CAMBODIA GDP (REAL GROWTH RATE)

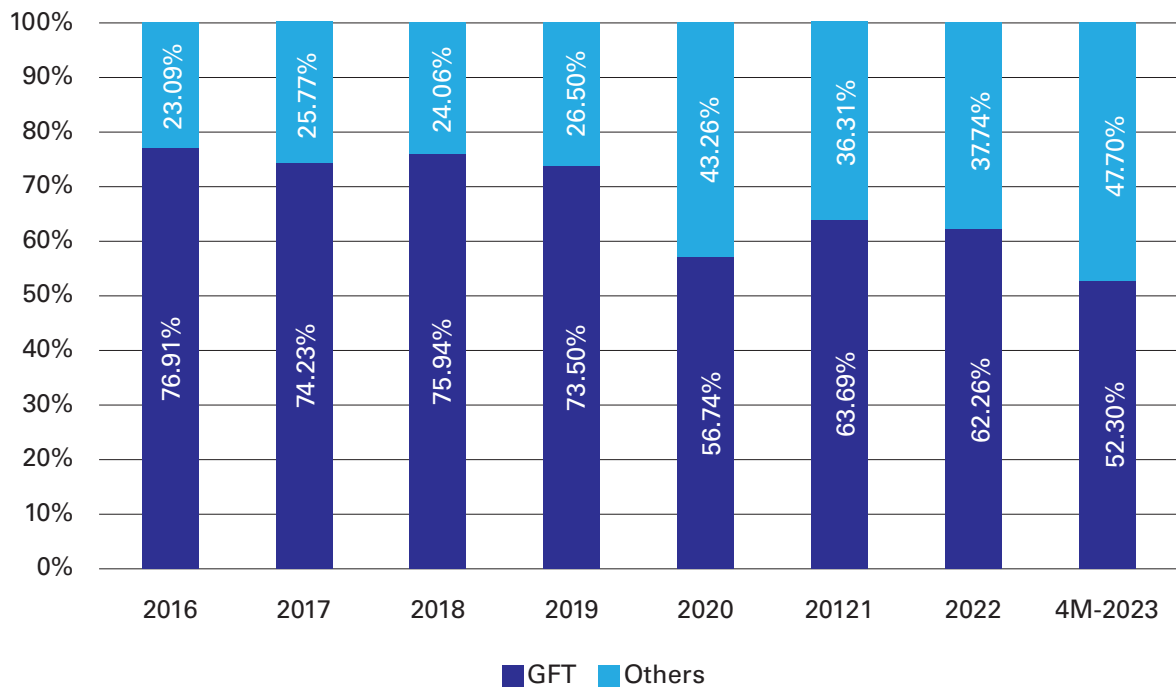


Source: NIS, Ministry of Planning

GFT As Percentage of Total Exports

The GFT sector plays a crucial role in Cambodia's GDP, contributing to 62.26% of the total exports in 2022. Despite the rapid growth in non-garment manufacturing, the sector's share remains higher than 50% of the total export base (see Figure 19). During the pandemic, the GFT sector has shown great resilience, thanks in part to the swift and effective vaccination policies implemented by the Royal Government of Cambodia.

FIGURE 19: SHARE OF CAMBODIA'S GARMENT, FOOTWEAR, AND TRAVEL GOODS IN TOTAL EXPORTS



Source: GDCE, Ministry of Economy and Finance

Exports Economic Update

A Remarkable Growth Story: Cambodia has successfully transformed “from battlefield to marketplace” in just 20 years. It has transitioned from a post-conflict, aid dependent LDC to an economy with the fastest pace of GDP growth in Southeast Asia. Despite the rapid growth, Cambodia's economic structure has shifted only marginally over the past two decades. Cambodia's economy is forecast to grow at 5.5% in 2023⁹, supported by growth in agriculture and the enactment of several new free trade agreements. It is forecast to grow a further 6.0% in 2024¹⁰ on a more robust tourism recovery and hoped for growth in the services sector.

⁹ The World Bank, World Bank Report: “Cambodia's Economy on Firm Path to Recovery” May 18th 2023, in <https://www.worldbank.org/en/news/press-release/2023/05/18/cambodia-s-economy-on-firm-path-to-recovery#:~:text=This%20revival%20is%20also%20boosted,accelerate%20to%205.5%25%20in%202023.>

¹⁰ ADB, Economic Update Report April 2023: <https://www.adb.org/news/cambodia-economy-accelerate-tourism-recovery-ADB#:~:text=%E2%80%9CCambodia's%20economic%20outlook%20is%20positive,easing%20to%206.8%25%20in%202024.>

Reliance on Export-Oriented Manufacturing: A prolonged slowdown in external demand could weaken export-oriented manufacturing, while continued global financial tightening might expose risks in Cambodia's highly leveraged financial sector. According to the ADB April 2023 Economic Update, Cambodia's economy grew by an estimated 5.2% in 2022. Inflation has remained relatively low in Cambodia and is expected to moderate at an average rate of 3.0% in 2023 and 4.0% in 2024.

Impact of Trade Agreements: The initial outcomes of the newly established trade agreements seem promising and are starting to materialize. By the year 2022, Cambodia's exports to RCEP countries reached \$6.34 billion, with Vietnam, China, and Thailand being the top three export destinations. Cambodia shipped products worth \$1.18 billion to Vietnam, \$440 million to China, and \$393 million to Thailand. Data from the Ministry of Commerce reveals that Cambodia's total exports to the Regional Comprehensive Economic Partnership (RCEP) member countries amounted to \$2.143 billion in the first quarter of 2023, showing a promising 9.58 percent increase from \$1.57 billion in the same period last year. However, imports from RCEP member countries decreased to \$5.15 billion in the first quarter of 2023, down 15.69% from \$6.11 billion.

A Cautious Recovery: According to the ADB, the tourism sector is projected to grow at 7.3% in 2023, easing to 6.8% in 2024. The removal of mobility restrictions and increased travel confidence led to a strong rebound in international visitor arrivals, reaching about 2.3 million in 2022 from a low of about 200,000 in 2021. The Ministry of Tourism expects Cambodia to attract at least 4 million international and 15 million domestic tourists in 2023, bringing an estimated \$4 billion in economic benefits. However, the country's economic outlook is subject to risks, including weaker growth in the United States and Europe, lower-than-expected tourist arrivals and foreign direct investment from the People's Republic of China, and the impact of climate change on agriculture productivity. Cambodia's sustainable growth potential also depends on scaling up green investment efforts.

Industrial Growth: Cambodia's industrial output is projected to grow by 5.8% in 2023, and by 7.8% in 2024, while construction growth is expected to remain slow. Agricultural output is forecasted to grow by 1.1% this year and 1.2% in 2024¹¹. The industrial sector continues to benefit from policy reforms, including the Investment Law of 2021, which established a one-stop service for investors, and new trade agreements.

GFT Slowdown: As can be seen in previous sections, the growth in exports of garments, footwear, and travel goods is expected to slow down in 2023 due to weak external demand in the United States, Europe, Japan and Canada. These countries represent the main export destinations, and are affected by high levels of inflation and low consumption. In the EU, the inflation rate reached 9.9% and 7% by February and April 2023¹², respectively, with the main inflation-hit sectors being food, alcohols, and tobacco. In the United Kingdom, the inflation rate for June 2023 decreased to 7.3% from 13.2% in February 2023.¹³ The United States is faring only slightly better, where, due to an aggressive interest rate policy, the inflation rate is only around 5% over the first four months of 2023.

¹¹ The World Bank, *World Bank Report: "Cambodia's Economy on Firm Path to Recovery"* May 18th 2023, Op. Cit.

¹² Eurostat, *Flash Estimate April 2023*, on May 2nd 2023.

¹³ Office of National Statistics, the United Kingdom, in www.ons.gov.uk

6. Wage and Productivity Update 2023

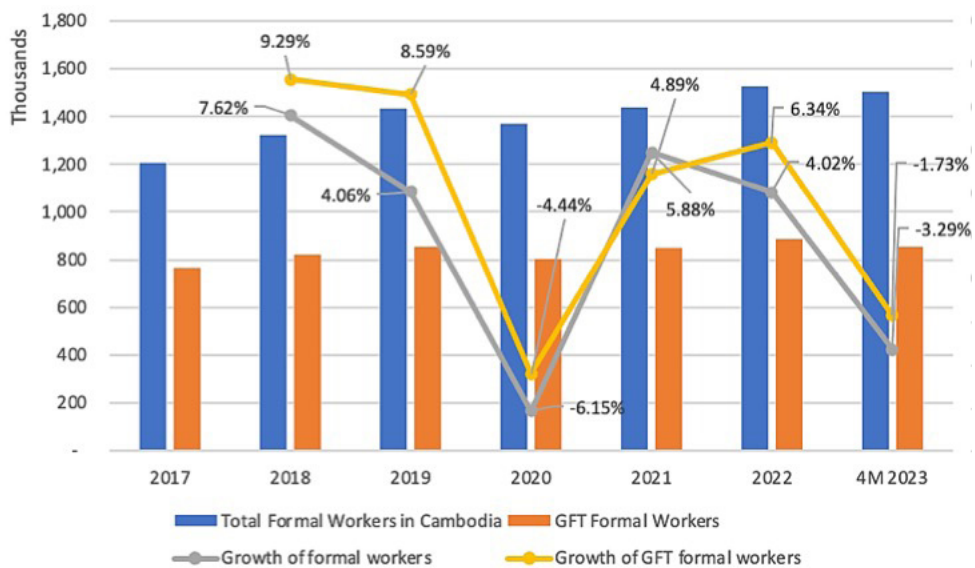
Employment

According to the Ministry of Labour and Vocational Training, Cambodia’s total number of workers has been increasing at an average growth rate of 4.81% per year over the last five years.

In 2022, the number of formally employed workers reached 1,528,383 - a 4.02% increase compared to 2021. By the end of April 2023, the total number of formally employed workers decreased to 1,501,949, a 3.29% decline compared to the end of 2022.

Of note, the World Bank estimated Cambodia’s total working population to be around 9,020,278 in 2022. Most forms of employment are informal, for example, agriculture, which was estimated to provide employment for 3.63 million people in 2022, and construction.

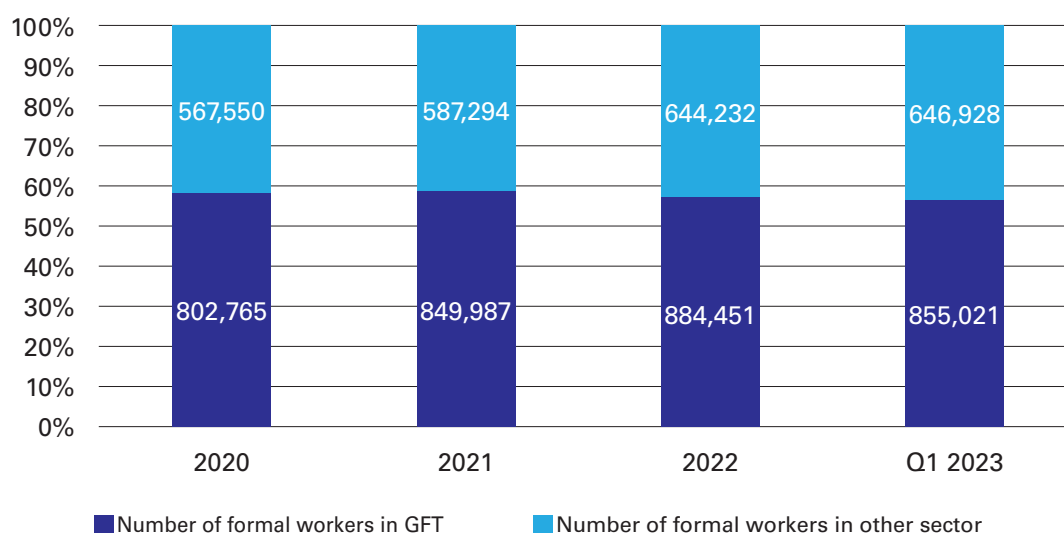
FIGURE 20: TREND OF LABOUR IN CAMBODIA



Source: MOLVT, Ministry of Labour and Vocational Training

The GFT sector has accounted for around 55-60% of formal jobs over the last five years. As a proportion of total employment, the number of GFT workers has changed slightly as jobs begin to open in new manufacturing and services subsectors. E.g., the number of GFT workers is increasing, but the total number of formally employed workers is increasing at a higher rate.

FIGURE 21: GFT SHARE OF CAMBODIA'S LABOUR MARKET



Source: MOLVT, Ministry of Labour and Vocational Training

Wages

The article on the seniority bonus¹⁴ was amended and became effective in June 2018. The seniority bonus is determined based on the worker's length of service, as shown in the table below:

TABLE 8: SENIORITY BONUS (USD) CAMBODIA

Year of Seniority	1	2	3	4	5	6	7	8	9	10	11
Monthly Bonus (\$)	0	2	3	4	5	6	7	8	9	10	11

Source: MOLVT, Ministry of Labour and Vocational Training

Apart from the seniority bonus, an attendance bonus has also been in effect since the year 2000, starting at \$5 per month and gradually increasing to \$10 from September 2012.

Uniquely among garment production hubs, the minimum wage in Cambodia is calculated in US dollars, while in all other countries it is measured in their local currency. Despite the challenges posed by the pandemic, Cambodia has consistently increased its minimum wage in line with the inflation rate, as shown in Table 9. This contrasts starkly with the minimum wage of other garment producing nations which have often remained unchanged, or even declined in real terms.

¹⁴ In 2018, a new Labour Law amendment introduced seniority indemnity, replacing dismissal indemnity for workers under Undetermined Duration Contracts (UDCs). Later in 2018, the Prakas on Payment of Seniority Indemnity defined entitlements and requirements for employees and employers. This newsletter highlights these aspects and employee benefits under Fixed Duration Contracts (FDCs).

TABLE 9: MINIMUM WAGE IN CAMBODIA (USD)

Year	Minimum wage	Attendance Bonus	Seniority Bonus	Transport & Accom.	Minimum Wage & Attendance Bonus		CPI* (2006=100)
					Min	Max	
2016	140	10	10	7	157	168	165.10
2017	153	10	10	7	170	181	169.90
2018	170	10	10	7	187	198	174.00
2019	182	10	10	7	199	210	177.40
2020	190	10	10	7	207	218	185.10
2021	192	10	10	7	209	220	192.10
2022	194	10	10	7	211	222	197.50
2023	200	10	10	7	217	228	200.09

Source: MOLVT, Ministry of Labour and Vocational Training

• CPI (2006=100): Consumer Price Index at Base Year 2006

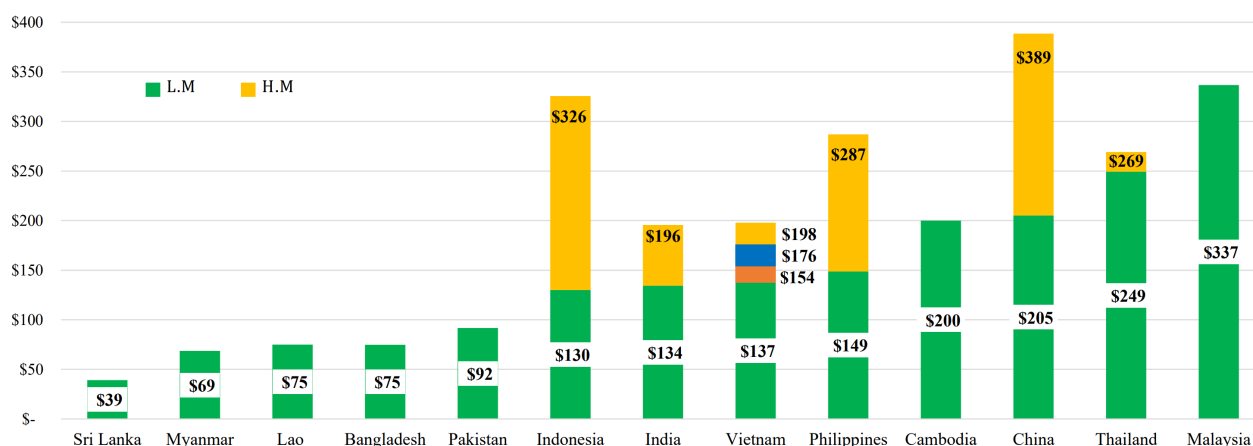
The data in Table 10 illustrates how the minimum wage in US dollars changed due to fluctuations in the exchange rate with the respective countries local currency.

TABLE 10: MINIMUM WAGE OF MAJOR GFT PRODUCERS (USD)

Country	2021	2022	2023
Indonesia	136-355	136-355	136-355
Philippines	135-265	143-281	143-280
Cambodia	192	194	200
Vietnam	140-200	140-200	140-200
Bangladesh	142	142	75
Laos	107	70	73
Myanmar	82	70	69
Sri Lanka	43	43	43

Source: AFTEX report and take-profit.org

FIGURE 22: MINIMUM WAGE IN SELECTED COUNTRIES 2023



Source: Ministry of Labour and Vocational Training's Compilation based on national and international statistics, exchange rate 2023S1 from Central Banks.

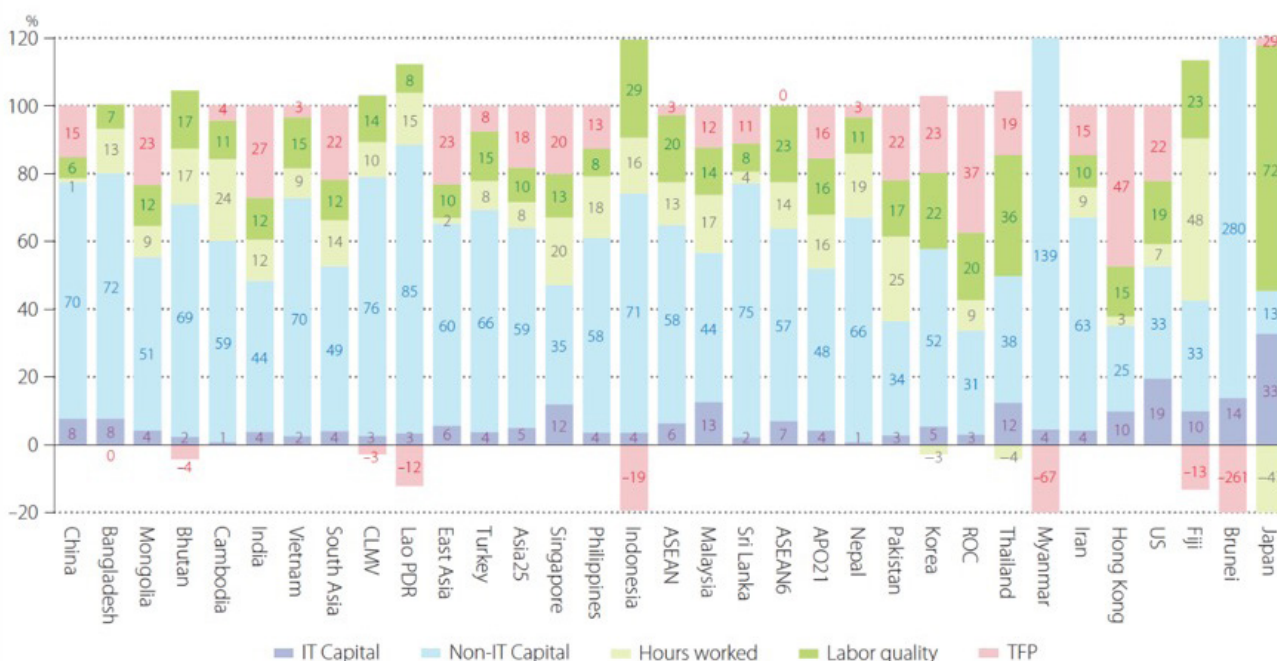
Productivity

According to the Databook of the Asian Productivity Organization (APO), Cambodia's labour productivity across all sectors, measured in USD at Purchasing Power Parity (PPP) per annum, was \$7,300 in 2022, ranking higher than only Myanmar.

The productivity-wage ratio for Cambodia is the lowest among the listed countries in Table 11, primarily due to the higher minimum wage. However, it's worth noting that Cambodia's current productivity situation is like Japan's in the mid-1920s, which of course was followed by a period of intense economic development for Japan.

The APO 2022 data highlights that from 2000 to 2020, Cambodia's economic growth heavily relied on "hours worked" (24%), with minimal contributions from investment in IT capital (1%) and Total Factor Productivity (4%) when compared to other countries in the region.

FIGURE 23: SOURCE OF ECONOMIC GROWTH 2000-2020



Source: APO: APO Productivity Databook 2022

TABLE 11: PRODUCTIVITY-WAGE RATIO 2022-2023

Labour Productivity	Per worker (PPP-\$) *	Per hour**	Productivity-wage ratio ***
Cambodia	7,300.00	2.92	3.14
Vietnam	14,100.00	5.65	6.71
Laos	14,800.00	5.93	17.62
Myanmar	6,000.00	2.40	7.14
Indonesia	24,400.00	9.78	6.56
Philippines	19,400.00	7.77	6.60
Sri Lanka	33,500.00	13.42	64.92
Bangladesh	13,000.00	5.21	7.47

* Labour productivity per worker is based on APO Databook 2022 (Asian Productivity Organization)

** Labour productivity can be calculated by using Labour productivity per worker in USD divided by 48 hours/week (Cambodia: $7,300/(52*48) = 3.51$)

*** Labour productivity-wage ratio can be calculated by using Minimum wage in 2022 (Cambodia: $7,300/(12*194)=3.14$)

Source: APO: APO Productivity Databook 2022

Based on GDCE and Ministry of Economy and Finance forecasts (made in 2022), the gross output of the GFT sector was optimistically estimated to rise by 5.5% in 2023. Sadly, due to global macroeconomic concerns, that rise is unlikely to materialize this year.

The value added per worker improved significantly in 2021, attributed to lower inflation rates in Cambodia, and continued to increase in 2022, as indicated by the data from the National Institute of Statistics of the Ministry of Planning and Ministry of Commerce on the Consumer Price Index and Total Effective Wage Bills for GFT.

Additionally, Labour productivity in the GFT sector has shown continuous growth from 2016 to 2022. However, it's important to note that the average monthly wage decreased in 2022, dropping from \$255 to \$236 (see Table 12).

TABLE 12: VALUE ADDED PER WORKER, AVERAGE WAGE & LABOUR PRODUCTIVITY

Year	2016	2017	2018	2019	2020	2021	2022
Value added per worker, per month (current US\$)	290.68	307.38	322.14	337.84	302.72	395.86	412.65
Average monthly wage, US\$	194.79	201.62	219.78	231.95	239.10	254.69	235.69
Labour productivity (GFT), Index (2000 = 100)	150	150	154	157	144	181	190
Growth	6.24%	0.02%	2.88%	1.69%	-7.96%	25.44%	5.16%

e: estimation

The data use for calculating the monthly wage is available by March 2022 only.

Source: Calculation based on Data from the National Institute of Statistics (NIS), Ministry of Planning

7. Recommendations

This publication is a collaborative effort between the Textile, Apparel, Footwear & Travel Goods Association in Cambodia (TAFTAC) and the European Chamber of Commerce in Cambodia (EuroCham) to present key industry statistics. While both organizations have contributed recommendations based on the presented statistics, it is imperative to note that the recommendations put forth by TAFTAC are solely its own and do not reflect the views or endorsements of EuroCham, and vice versa. Although there are areas of overlap, the inclusion of recommendations from both organizations in this publication is intended solely to foster industry dialogue and should not be construed as mutual endorsements or a joint stance on any of the matters discussed.

TAFTAC

Textile, Apparel, Footwear And Travel Goods Association in Cambodia

TAFTAC is greatly appreciative of Royal Government efforts to support the growth of the critical GFT sector in Cambodia. In line with, and supported by the latest M4 2023 statistics, TAFTAC has developed, and respectfully suggests the following recommendations to support a competitive garment sector moving forward. These recommendations are designed to improve the garment industry's competitiveness from a GFT product producers' perspective.

Recommendations Disclaimer:



The recommendations presented in the following section exclusively reflect the perspectives and viewpoints of the Textile, Apparel, Footwear & Travel Goods Association in Cambodia (TAFTAC). It is important to note that these recommendations do not imply the endorsement by or indicate the opinions or viewpoints of any other contributing organization to this sector brief. The inclusion of these recommendations serves to provide industry insights and perspectives, contributing a contextual dimension to an otherwise neutral presentation of statistics. TAFTAC warmly welcomes and invites stakeholders to engage in constructive dialogue on any recommendation proposed.

R1: Labour Cost vs Productivity

CONTEXT

Cambodia was once highly attractive for investment, particularly in the GFT sector, due to its relatively low labour costs. However, the situation has changed significantly. Between 2014 and 2021, Cambodia's real minimum wage grew by 12%, surpassing the growth rates of Vietnam and Indonesia (9%) and Bangladesh (6.6%). As of 2023, Cambodia's minimum wage stands at \$200, equal to the highest minimum wage region in Vietnam and substantially higher than that of Bangladesh, Myanmar, and Pakistan. In contrast, productivity growth during the same period was only 0.1%. The disparity between wage and productivity growth raises concerns about Cambodia's competitiveness in the global market.

RECOMMENDATIONS

- 1) Consider implementing review mechanisms to adjust the rate of minimum wage increase that can be activated during periods of extreme economic slowdown.
- 2) Explore productivity-linked wage policies at the factory level, based on individual financial capabilities and principles of a free market economy.
- 3) As trends such as near shoring and friend shoring becoming more prevalent, actively assist the GFT sector seek out new and diverse market destinations for Cambodian products.
- 4) Promote productivity by providing clear incentives to employers who invest in human resource development and modernization of machinery, leveraging the new Law on Investment and the new Tax Law.
- 5) Encourage international Brands/Buyers to adopt more responsible purchasing practices, including Sustainable Trade Terms, that ensures fair prices for suppliers, promoting decent work and wages in the country.
- 6) Encourage unions to represent workers' interests professionally and within legal boundaries, avoiding unnecessary disruptions to factory operations.
- 7) Encourage cooperation with employers to improve occupational health, safety standards, and productivity.

R2: Logistics and Trade Facilitation

CONTEXT

Effective logistics and trade facilitation are essential for the development of local and international trade. While Cambodia has made progress in these areas, it still faces challenges in simplifying procedures, modernizing online systems, and reducing costs. Some redundant processes and requirements, along with frequent unofficial fees, continue to hinder efficient trade practices.

RECOMMENDATIONS

- 1) Promote transparent fees charged by customs offices, customs brokers, and dry ports. Invoices issued by freight forwarder companies must clearly itemize the fees, whether charged by government entities or as private services.
- 2) MPWT should aim to reduce the cost of port services, which is significantly higher than in other countries.
- 3) To further reduce logistics costs in Cambodia, urgent attention is needed from the Royal Government of Cambodia, especially the Ministry of Economy and Finance, to address the issue of unofficial customs clearance costs, which form a significant part of Cambodia's logistic expenses.
- 4) Consider eliminating the requirement to apply for CO Reference at the Ministry of Commerce.
- 5) Expedite the full implementation of the National Single Window.
- 6) Implement a Digital Trade Hub, taking inspiration from the successful digital trade hub in Malaysia.

R3: Tax

CONTEXT

The principal taxation law in Cambodia is the Law on Taxation, further defined by Prakas issued by the Ministry of Economy and Finance. Taxpayers must submit and pay their taxes to the General Department of Taxation (GDT) annually and monthly. Most businesses are affected by corporate income tax, minimum tax, value-added tax, withholding tax, and tax audit. Serious issues faced by operators in the GFT sector include tax audit and VAT refund.

RECOMMENDATIONS

- 1) Simplify the audit procedure to avoid duplication.
- 2) Facilitate easy administrative procedures for VAT refunds, both pre- and post-2020.

R4: Sustainability

CONTEXT

Combating Climate Change, Gender Equality, Sustainable Production & Consumption, Safe Drinking Water & Sanitation, and Decent Work & Economic Progress are among the 17 sustainable development goals addressed by the GFT sector. Brands worldwide, like ADIDAS, are actively working to reduce pollution and combat climate change by setting emission targets, aiming for zero emissions by 2030 and implementing this policy across all their suppliers.

Respect for human rights and sustainability is no longer a choice but a requirement in international markets. The German Due Diligence Law, effective since January 1, 2023, will soon be followed by other EU countries, making it obligatory for brands and their suppliers along

the entire value chain. Cambodia urgently needs to align its internal policies and build capacity to meet these requirements and remain competitive in the market.

RECOMMENDATIONS

- 1) Adopt a more favourable policy for installing solar PV to generate cleaner and cost-efficient energy, while cancelling the capacity charge policy.
- 2) Support the private sector in establishing textile recycling plants in Cambodia to promote the circular economy. Relevant actors, including manufacturers, brands, collectors, and recyclers, must play their roles effectively, with the government providing supportive policies and potentially a national roadmap.

R5: Development of Support Industries

CONTEXT

Lead time has increasingly become critical to the sector of fashion goods. The buyers/brands want to get their orders, which now become smaller and smaller in quantity, delivered as fast as possible to meet consumers' demand especially in a popular era of online sales.

To further contribute to the industry's responsiveness, higher value-added productions, and competitiveness, Cambodia must attract investment in supporting

industry, including fabric mills and other factories producing accessories.

Accessories can be divided into three main categories:

- 1) Basic accessories such as fabrics, zippers, buttons, brand labels, ribbon, etc.
- 2) Decorative accessories such as trims, buttonhole tape, and seaming tape, etc.
- 3) Finishing or packaging accessories such as price tags, polybag, carton box, hanger...

R5: Development of Support Industries (continued)

RECOMMENDATIONS

To support this, we respectively recommend the RGC implement the following measures:

- 1) Support the development of Special Economic Zones or Industrial Parks with proper facilities, especially wastewater treatment plants and strict Hazardous Chemical Management, dedicated to the production of fabrics.
- 2) Reduce electricity costs and support the use of renewable energy, especially through the installation of rooftop solar panels.
- 3) Provide clear provisions of tax incentives to all supporting industries through the new Law on Investment and the new Tax Law.

R6: The GFT Sector Development Strategy 2022-2027

CONTEXT

On March 21, 2022, the Royal Government of Cambodia introduced the Cambodian Garment, Footwear, Travel Goods Sector Development Strategy 2022-2027. The strategy aims to transform the sector into an environmentally sustainable, resilient, and high-value industry focused on unique and high-end products, fostering competitiveness and economic diversification by 2027.

The five major points of the highly anticipated strategy were as follows:

- Further strengthening human resources to increase productivity and create career paths for Cambodian workers/employees.
- Continue to improve working conditions and welfare for workers/employees.
- Promote the domestic and foreign investment in the industry, which has high value-added, and high-end and unique products focused.

- Attract investment in supporting industry.
- Promote market diversification for exports.

However, one year after its launch, there has been no formal action taken due to delays in establishing the Inter-Ministerial Secretariat and Advisory Council, which should include representatives from the sector, brands/buyers, researchers, and academia.

RECOMMENDATIONS

TAFTAC respectfully recommends:

- 1) the prompt establishment of the Inter-Ministerial Secretariat and Advisory Council.
- 2) Create a clear timeline for action implementation and implement a robust monitoring and evaluation mechanism to ensure progress.

EuroCham aims to collaborate with the Royal Government of Cambodia to aid the growth of the GFT sector. EuroCham has formulated actionable recommendations that relevant authorities can adopt in the short to medium term. These recommendations are designed to improve the garment industry's competitiveness also from a global buyer's perspective.

Recommendations Disclaimer:



The recommendations presented in the following section exclusively reflect the perspectives and viewpoints of the European Chamber of Commerce in Cambodia (EuroCham). It is important to note that these recommendations do not imply the endorsement by or indicate the opinions or viewpoints of any other contributing organization to this sector brief. The inclusion of these recommendations serves to provide industry insights and perspectives, contributing a contextual dimension to an otherwise neutral presentation of statistics. EuroCham warmly welcomes and invites stakeholders to engage in constructive dialogue on any recommendation proposed.

R1: Tax Incentives for Factories to Recycle Garment Waste

The growth of the GFT sector in Cambodia over the past two decades has highlighted a pressing concern: the absence of a functioning textile recycling industry. The rapid expansion of the industry coupled with China's waste import ban has resulted in a surge of textile waste. Cambodia's Ministry of Environment reveals that textile residues constituted up to 60% of the industrial waste collected in 2016, and this situation has persisted. The textile waste management infrastructure is limited and lacks capacity, with only a handful of licensed recycling facilities in the country. Moreover, limited awareness among manufacturers and challenging tax regulations has hindered the industry's growth. While the legal sale of waste is

allowed under specific conditions, the lack of a robust recycling ecosystem poses a considerable challenge to sustainable waste management in the textile sector.

Policy Recommendations:

- 1) Consider introducing a regulation allowing garment factories to use evidence of sold amounts of garment waste through official channels (authorised collectors or recycling facilities) to offset their maximum allowance of generable textile waste as per government requirements, whilst concurrently avoiding the tax liabilities in Prakas No.105

R2: Private Solar Rooftop Policy for Factories

Cambodia's current state of energy transition is in its early stages, with a considerable reliance on fossil fuels also projected over the Power Development Plan presented. Solar and wind power are still in the early stages of development despite the excellent solar irradiation of the country, with only a small percentage of the country's electricity coming from these sources. Moreover, Cambodia's energy demand is expected to

triple in the coming years, with or without an energy efficiency plan in place. It's clear that renewable energy could help to fill-up this jump in demand with cheap renewable solar energy. Appropriate incentives for renewable energy and more favourable legislation—including lower tax rates—for industrial solar panels could easily meet this growing demand for electricity in the country. Finally, the EU – the largest export market

R2: Private Solar Rooftop Policy for Factories (continued)

for Cambodia's garment sector, accounting for around 40% of exports – is implementing new, tougher due diligence requirements to ensure its supply chains comply with sustainability requirements. At the same time also all the other buyers are requiring their supply chain to “go-green” by implementing solar rooftop panels onsite. Recently the MME has published a new policy called “Principles for permitting the use of rooftop solar power in Cambodia”, the recommendations, refer to this recent development in legislation.

Policy Recommendations:

- 1) Consider compensation tariffs calculated in a simpler, more consistent, and predictable manner. A more progressive rate would allow the private sector to make greater use of solar energy installations, encouraging the Cambodian energy transition and helping to meet the growing energy demand.
- 2) Consider inclusive access to “time of use” tariffs for all solar energy users.
- 3) Consider introducing a more favourable tax regime should be introduced for specific and localised areas allowing Power Purchase Agreements (PPAs) with local SEZs and/or large-scale private investments.

R3: Sexual Harassment in the Workplace

Sexual harassment is common in the Cambodian workplace, with an estimated 40-60% of women and 10% of men affected, according to a recent report by the International Labour Organisation. Although Cambodia's Labour Law prohibits sexual harassment at work, the absence of a clear legal framework creates difficulties in responding to cases consistently, as well as the lack of referral guidelines for women and girls who have experienced abuse. Sexual harassment in the workplace can result in significant losses for businesses due to absenteeism, decreased productivity, and high turnover rates and reinforce gender inequality and perpetuate harmful stereotypes.

Policy Recommendations:

- 1) Promote awareness and training at all corporate levels and disseminating information on the rights of workers to live and work free from harassment.
- 2) Foster collaboration and shared responsibility among all stakeholders, including the state, the private sector, civil society, and workers themselves.
- 3) Establish transparent reporting mechanisms for addressing workplace sexual harassment. Develop clear reporting structures and create legal tools and referral guidelines for survivors.

R4: Collective Transport for Garment Workers

According to the National Social Security Fund (NSSF), there are 4,520 collective transport vehicles – mostly not authorized and poorly maintained - providing transportation to more than 200,000 garment and footwear factory workers every day. Collective transport services are typically informally organised directly between workers and vehicle drivers. Unsafe road practices, dangerous road environments, and weak enforcement of road traffic laws compound the risk to commuting factory workers' health and safety. In 2022, according to the NSSF's reported claims, 156 workers were killed while commuting to and from factories

while recording more than 5,158 road accidents, with 1,624 seriously injured and 4,271 slightly injured.

Policy Recommendations:

- 1) Consider establishing an ad-hoc licencing regime for authorized operators of buses adapt for passengers (workers) on major industrial routes/hubs aimed at improving the road safety standards of collective transport vehicles. The licensees could be easily controlled assuring quality service and quality of drivers.

R5: Sustainable Data Sharing Practices

In order to maintain positive performance rates of the GFT sector, the public access to reliable, publicly shared data on key aspects, such as trends, export-import values, sustainable best practices, labour productivity, working conditions, it is crucial. While some data is publicly available, there are concerns about the accuracy and completeness of the information that is reported. Without clear and consistent data on the sector's sustainability progress, there is a risk that buyers and investors will look elsewhere for suppliers who can provide more reliable and transparent information.

Policy Recommendations:

- 1) Enhance Data Collection and Reporting: establish a centralised and comprehensive system for collecting, analysing, and reporting data related to the garment sector.
- 2) Encourage training and capacity-building initiatives for garment sector stakeholders.
- 3) Encourage collaboration and information-sharing among companies in the sector, to promote best practices and facilitate the exchange of information on sustainability initiatives.
- 4) Consider introducing incentives and recognition for companies that demonstrate leadership in sustainability and transparency, such as awards or certification programmes.
- 5) Encourage dialogue and engagement with stakeholders, including customers, investors, and civil society organisations, to better understand their expectations and priorities around sustainability and transparency in the sector.

8. Annex

Key Economic Statistics

	2016	2017	2018	2019	2020	2021	2022	Jan-Apr 2023
1. GDP								
Real Growth Rate	6.9%	7.0%	7.5%	7.1%	-3.1%	3.0%	5.3%	
Nominal Growth Rate	10.6%	10.6%	10.8%	10.5%	-3.7%	4.4%	9.5%	
GDP at Current Price	20,159	22,191	24,488	27,030	25,967	27,171	29,599	
Value Added (Current \$)	2,111	2,362	2,637	2,899	2,548	3,083	3,224	
Value Added GDP ratio	10.47%	10.64%	10.77%	10.72%	9.81%	11.35%	10.89%	
2. Garment Footwear and Travel Goods								
2.a. Growth of Total Garment Footwear and Travel Goods								
GFT Export (\$ million)	7,636	8,330	9,591	10,840	9,768	11,191	12,811	3,153
% growth (y-o-y)	23.92%	9.08%	15.14%	13.03%	-9.89%	14.57%	14.47%	
Garment Export (\$ million)	774	880	1,040	1,265	1,117	8,018	9,035	2,150
% growth (y-o-y)		13.70%	18.16%	21.65%	-11.69%	617.98%	12.69%	
Footwear (\$ million)	774	880	1,040	1,265	1,117	1,392	1,737	437
% growth (y-o-y)		13.70%	18.16%	21.65%	-11.69%	24.67%	24.77%	
Travel Goods (\$ million)	140	268	556	1,079	965	1,495	1,777	492
% growth (y-o-y)		90.86%	107.87%	93.97%	-10.58%	54.95%	18.91%	
2.b. Garment Footwear and Travel Goods by Destination								
GFT export to EU (\$ million)	2,576	2,935	3,292	3,362	2,691	2,726	3,318	853
% growth (y-o-y)		13.92%	12.17%	2.14%	-19.97%	1.33%	21.71%	
Garment export to EU (\$ million)	2,250	2,524	2,748	2,725	2,194	2,208	2,646	659
% growth (y-o-y)		12.16%	8.86%	-0.82%	-19.50%	0.64%	19.84%	

	2016	2017	2018	2019	2020	2021	2022	Jan-Apr 2023
Footwear export to EU (\$ million)	282	339	411	484	386	383	489	136
% growth (y-o-y)		20.07%	21.26%	17.67%	-20.24%	-0.70%	27.66%	
Travel Goods export to EU (\$ million)	29	49	103	121	86	93	145	45
% growth (y-o-y)		67.36%	110.15%	17.74%	-29.07%	8.40%	56.66%	
GFT export to US (\$ million)	1,914	2,083	2,538	3,462	3,585	367	321	320
% growth (y-o-y)		8.85%	21.86%	36.39%	3.55%	-89.77%	-12.56%	
Garment export to US (\$ million)	1,671	1,738	1,973	2,264	2,399	2,980	3,163	659
% growth (y-o-y)		3.98%	13.51%	14.77%	5.95%	24.22%	6.15%	
Footwear export to US (\$ million)	126	147	185	301	299	499	571	120
% growth (y-o-y)		16.48%	25.50%	62.63%	-0.46%	66.77%	14.34%	
Travel Goods export to US (\$ million)	52	156	343	792	740	1,192	1,371	368
% growth (y-o-y)		202.44%	120.46%	130.69%	-6.64%	61.11%	15.06%	
GFT export to UK (\$ million)	849	911	918	895	719	641	792	184
% growth (y-o-y)		7.36%	0.74%	-2.56%	-19.59%	-10.86%	23.51%	
Garment export to UK (\$ million)	748	787	796	776	640	560	683	156
% growth (y-o-y)		5.17%	1.11%	-2.50%	-17.45%	-12.59%	22.09%	
Footwear export to UK (\$ million)	92	110	109	102	68	67	90	22
% growth (y-o-y)		19.07%	-0.85%	-5.91%	-33.12%	-2.37%	34.45%	
Travel Goods export to UK (\$ million)	4	6	5	9	5	9	10	3
% growth (y-o-y)		45.48%	-7.16%	71.94%	-44.05%	72.70%	17.63%	
GFT export to Canada (\$ million)	500	582	638	695	613	735	844	171
% growth (y-o-y)		16.46%	9.46%	9.00%	-11.82%	19.92%	14.92%	
Garment export to Canada (\$ million)	500	582	638	695	613	735	844	171
% growth (y-o-y)		16.46%	9.46%	9.00%	-11.82%	19.92%	14.92%	
Footwear export to Canada (\$ million)	38	43	65	69	60	87	110	24
% growth (y-o-y)		14.96%	49.45%	6.59%	-12.75%	43.60%	26.59%	
Travel Goods export to Canada (\$ million)	3	3	7	21	20	38	60	1
% growth (y-o-y)		1.68%	181.73%	176.13%	-0.71%	87.58%	57.97%	

	2016	2017	2018	2019	2020	2021	2022	Jan-Apr 2023
GFT export to Japan (\$ million)	731	747	931	988	869	898	959	288
% growth (y-o-y)		2.21%	24.69%	6.09%	-12.06%	3.32%	6.79%	
Garment export to Japan (\$ million)	593	607	768	818	718	738	779	231
% growth (y-o-y)		2.42%	26.47%	6.48%	-12.21%	2.72%	5.64%	
Footwear export to Japan (\$ million)	83	78	83	82	83	90	110	36
% growth (y-o-y)		-6.22%	5.93%	-0.33%	0.44%	8.92%	21.77%	
Travel Goods export to Japan (\$ million)	31	34	49	59	48	54	52	15
% growth (y-o-y)		8.30%	46.14%	19.44%	-18.52%	13.22%	-3.45%	
GFT export to ASEAN (\$ million)	106	122	137	172	196	129	213	53
% growth (y-o-y)		15.21%	11.51%	25.77%	14.23%	-34.02%	64.80%	
Garment export to ASEAN (\$ million)	79	95	110	132	157	94	158	39
% growth (y-o-y)		19.78%	15.60%	20.73%	18.74%	-39.86%	67.10%	
Footwear export to ASEAN (\$ million)	19	18	18	29	24	24	42	12
% growth (y-o-y)		-5.72%	2.33%	58.12%	-19.40%	0.70%	77.61%	
Travel Goods export to ASEAN (\$ million)	4	4	5	7	6	6	9	2
% growth (y-o-y)		-7.99%	23.38%	53.08%	-22.92%	0.32%	61.03%	
3. Employment								
Total Workers in Cambodia		1,208,322	1,320,547	1,433,935	1,370,315	1,437,281	1,528,383	1,501,949
GFT Workers		763,820	822,007	855,413	802,765	849,987	884,151	855,021
Growth of workers			7.62%	4.06%	-6.15%	5.88%	4.02%	-3.29%
Growth of GFT workers			9.29%	8.59%	-4.44%	4.89%	6.34%	-1.73%
4. Wage and Productivity								
4.a. Minimum wage for GFT producing nations								
Cambodia	140	153	170	182	190	192	194	200
Vietnam						140-200	140-200	140-200
Laos						107	70	73
Myanmar						82	70	69
Indonesia						136-355	136-355	136-355
Philippines						135-265	143-281	143-280
Sri Lanka						43	43	43
Bangladesh						142	142	75

	2016	2017	2018	2019	2020	2021	2022	Jan-Apr 2023
4.b. Average wage in Cambodia								
Average monthly wage, US\$	194.79	201.62	219.78	231.95	239.1	254.69	235.69	
4.c Labour Productivity								
Labour productivity (GFT), Index (2000 = 100)	150	150	154	157	144	181	190	
Growth	6.24%	0.02%	2.88%	1.69%	-7.96%	25.44%	5.16%	
5. Consumer Price Index and Inflation Rate								
Consumer Price Index	165.1	169.9	174.0	177.4	182.6	188.3	202.0	
Inflation rate	3.02%	2.91%	2.46%	1.94%	2.94%	3.10%	7.27%	

Source: Ministry of Commerce

Factory Openings, Closures, and Suspensions

Description	2021	2022	M4 2023
Openings	191	234	35
Closures	164	132	31
Net openings (Openings – Closures)	27	102	4
Suspended*	19	71	63
Total GFT factories	1,219	1,321	1,325
Workers in opened factories	71,472	72,154	12,566
Workers in closed factories	73,387	52,502	42,882
Workers in suspended factories	7,255	40,554	25,563
Net job losses (opened – closed – suspended)	(9,170)	(20,902)	(55,879)
Total workers	849,987	884,151	855,021

Suspended: Number of factories which postpone their work for a while, but do not declare full closure.

Source: MOLVT, Ministry of Labour and Vocational Training

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Authors:

Dr. KY Sereyvath (Consultant)
Mr. Thomas HESKETH
Mr. KAING Monika
Ms. Sara MONTI (EuroCham Recommendations)
Mr. Massimiliano TROPEANO (EuroCham Recommendations)

Published by:

TAFTAC (Textile, Apparel, Footwear and
Travel Goods Association in Cambodia).
EuroCham (European Chamber of Commerce
in Cambodia)

Contact TAFTAC:

Address: Phnom Penh Special Economic Zone,
Road NR4, Phnom Penh, Cambodia
Admin: +855 23 622 8888
Admin Email: info@taftac-cambodia.org
Legal Hotline 1: +855 88 8122 133 (Khmer and English)
Legal Hotline 2: +855 88 8080 228 (Chinese)
Legal Email: legalteam@taftac-cambodia.org
<https://www.taftac-cambodia.org/>

Contact EuroCham:

Address: Phnom Penh, Cambodia #30 Preah Norodom
Boulevard, 3rd floor BRED Bank Building, Sangkat Phsar Thmey 3,
Khan Daun Penh, 12210 Phnom Penh, Cambodia.
Admin: +855 (0)23 96 41 41
Admin Email: info@eurocham-cambodia.org
www.eurocham-cambodia.org

Design by: Nova Cambodia

Date: September 2023