

## ILO statement on the new minimum wage for Cambodia's textiles, garment and footwear sector

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### Press Statement

PHNOM PENH (ILO News) – In light of today's Labour Advisory Committee (LAC) vote and the announcement of US\$ 128 as the new minimum wage for Cambodia's textiles, garment and footwear sector, the ILO's Country Office for Cambodia, Thailand and Lao PDR takes note of the work conducted by the LAC and highlights the importance of tripartite dialogue around the crucial issue of minimum wages.

At the request of the Minister of Labour and Vocational Training, the ILO has given technical support to the Secretariat of the LAC over the past nine months. This contributed to an agreement between unions, employers and government to undertake regular, annual adjustments of minimum wages that take effect on 1 January the following year to ensure that, over time, every worker enjoys a decent standard of living compatible with human dignity, as called for in Cambodia's Labour Law. Stakeholders also agreed to seek tripartite consensus before a decision is made by majority voting through a secret ballot.

The ILO offers its continued technical support to the LAC and all stakeholders to determine future minimum wage adjustments on the basis of sound evidence, guided by five agreed criteria. These include: the needs of workers and their families; changes in the cost of living and in prices; and the impact of minimum wages on enterprises, on the sectors' international competitiveness, and on the labour market and employment.

The ILO Country Office calls on international brands to remain committed to Cambodia as a sourcing destination and to reflect the wage increase in their f.o.b. prices for 2015. This will pave the way for a smooth implementation of the new minimum wage and relieve cost pressure on garment factories, who have faced stagnating or falling prices in some of their major export markets.