

Press Release
On Dispute at W & D (Cambodia) Co., Ltd.

The Garment Manufacturers Association in Cambodia would like to inform the public and media that the dispute at W & D (Cambodia) Co., Ltd. happened on 24 December, 2018 at 12:30 pm until the present, during which 1,729 workers went on strike to demand the company to pay the seniority indemnity as a lump sum before 2019 and count the seniority indemnity prior to 2019 the same as 2019. So far, articles on the labour dispute at W & D (Cambodia) Co., Ltd. have been one-sided by some media outlets both on websites and social media, and the contents of those publications do not reflect the true reality and mislead the public.

In this regard, GMAC would like to make clarification on the dispute at W & D (Cambodia) Co., Ltd. as follows:

- In the morning of 25 December, 2018, the officers of the Labour Dispute Department of the Ministry of Labour and Vocational Training, together with the GMAC representative, factory lawyer, worker representatives and authorities negotiated and conciliated the dispute in which the company accepted the workers' request to be discussed with the factory owner and promised to respond on 28 December, 2018.
- On 26 December, 2018, another conciliation was held by the officers of the Labour Dispute Department and the General Secretariat for Settlement of Strikes and Demonstrations. However, no result was reached as workers still continued to demand that the seniority indemnity prior to 2019 be paid as a lump sum. The company still maintained its stance to comply with the law, and both parties agreed to continue the arbitration at the Arbitration Council.
- After both parties agreed to resolve it at the Arbitration Council, the Arbitration Council on 31 December, 2018 issued an order requiring all the workers to stop their strike first before the Arbitration Council could take further action to resolve this labour dispute. However, the workers still continued their strike despite an order from the Arbitration Council.
- On 31 December, 2018, the Phnom Penh Municipal Court issued a court injunction ordering all workers to return to work within 48 hours from the date of the issuance of court injunction duly in compliance with Article 337 of the Labour Law.
- On 04 January, 2019, the factory released an announcement on termination of 1,104 workers who had committed the serious misconduct for not complying with the court injunction dated 02 January, 2019. The announcement also informed all the workers to collect their last wage on 08 January, 2019.
- On 08 January, 2019 with the coordination from the officers of the Ministry of Labour, the Ministry besought the factory's understanding to reinstate the workers; consequently, the company agreed to the Ministry's request by holding a meeting and disseminating this information to all workers. The company publicly reinstates all workers except a few workers who blocked roads and prevented other from returning to work.

- ON 15 JANUARY, 2019, THE FACTORY ALLOWED THE UNION PRESIDENT, VICE PRESIDENTS AND members of local unions to return to work as usual by keeping their seniority and job assignment.
- Up to now the company still welcome all but a handful of workers who blocked roads and prevented others from going to work and now 760 of 1729 workers who went on strike, return to work. For workers who return to work, the factory will maintain their seniority and attendance bonus in proportion to the number of days they have worked.

GMAC would like to emphasize that workers of W & D (Cambodia) Co., Ltd. went on strike not to demand better working conditions but to demand seniority indemnity as a lump sum payment prior to 2019— their action is *not* in compliance with Prakas 443 dated 21 September, 2018, issued by the Ministry of Labour and Vocational Training. Therefore, workers had made an *illegal* demand because Prakas 443 requires employers to pay seniority indemnity prior to 2019 twice a year (in June and December) instead of a lump sum. In addition, the government's requirement for employers to pay seniority indemnity prior to 2019 twice a year means to ease the burden and cash flow of the factory. Thus, the factory does not have an obligation to pay seniority indemnity prior to 2019 as a lump sum payment.

In fact, the job termination for workers who refused to work is in accordance with the legal procedures:

- A. Arbitration Council procedure: the workers who organized the strike against the legal procedure by refusing to return to work as ordered by the Arbitration Council; this action led to a last resort to seek court injunction.
- B. Court procedure: After receiving the court injunction, the workers still continued their strike and refused to work as ordered by the court—this act is considered to be a serious misconduct.

GMAC would like to point out to the public and media that the factory's refusal to pay seniority indemnity as a lump sum payment for workers of W & D (Cambodia) Co., Ltd. is in compliance with Prakas 443 dated 21 September, 2018, while the job termination for workers continuing to strike is the employer's right to take action against workers who committed serious misconduct according to the court injunction.

GMAC requests the media outlets that published incorrect articles to retract and revise their publications by seeking out the truth of the entire event—that is, the company is in compliance with Article 89 (new) of the Labour Law and Prakas 443—and more importantly to withhold further release of false information.

Phnom Penh, January 26, 2019
Garment Manufacturers Association in Cambodia

