

21 January 2019

Ms. Cecilia Malmström

The European Commission

200, Rue de la Loi

B - 109 Brussels

Copy to:

President of the European Parliament, Mr. Antonio Tajani
President of the European Commission, Mr. Jean-Claude Juncker
High Representative of the Union for Foreign Affairs and Security Policy and Vice-President of the European Commission, Mrs. Federica Mogherini
European Union Ambassador to Cambodia, Mr. George Edgar
European Union Ambassador to ASEAN, Mr. Francisco Fontan
Chair of the European People's Party, Mr. Joseph Daul
Secretary General of the European People's Party, Mr. Antonio López-Istúriz

Dear Commissioner,

As representatives of Cambodia's private sector, workers and international civil society, we would like to express our deepest concerns in respect to the process to withdraw preferences offered to the Kingdom of Cambodia, under the Everything But Arms (EBA) arrangement. Right from its formal announcement, and notwithstanding its yet unknown conclusion, the consequences of such a decision will impose serious economic damage on Cambodia and would neglect the tremendous efforts undertaken by the Cambodia private sector to align its values and policies with the economic model championed by the European Union.

Over the past decades, Cambodia has managed to leverage itself out of humanitarian and economic turmoil to become a world leader of GDP growth, by servicing global markets with the support of multilateral partners and favourable trade preferences. The growth of Cambodia's garment sector alone has enabled the adoption of international conventions on human and labour rights, and widespread workplace reforms for the benefit of all Cambodians.

However, the withdrawal of this arrangement will jeopardise this progress, by directly harming the livelihood of millions of workers and their families that rely on employment within the garment sector, placing them once again at risk of returning to poverty. This is most concerning for Cambodia's rural women, who make up 85% of the 700,000 garment workers, and therefore most likely to suffer the hardest from the social and economic repercussions of any change to the status quo. While the cumulative effect of this will threaten the income of another 3 million people, including dependents and service providers from the hospitality, transportation and accommodation sectors.

The Cambodian business community has consistently upheld the core guiding principles of labour, social and environmental standards on which this arrangement is based, and continues to be at the forefront of engagement with the Royal Government as it seeks to improve social protections. While new programmes such as Seniority Indemnity Payment and the incoming pension scheme endeavour to provide vital safety

