

Garment Strike Stalls Cambodian Factories

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PHNOM PENH, Cambodia—A nationwide strike by Cambodia's garment workers this week has stalled the nation's largest manufacturing industry, after tens of thousands of protesters skipped work to demand a higher minimum wage than what the government has offered.

The job action—the largest this year in a sector plagued by frequent strikes—has prompted Cambodia's garment industry association to call on its members to suspend operations this week, stoking concerns over a broader fallout for an economy heavily reliant on garment manufacturing as its main export earner.

Workers from more than 120 factories launched the job action Wednesday, union leaders said. They were protesting the government's decision this week to raise the industry's minimum wage by 19% to \$95 a month, starting in April—well short of unions' demand for \$160.

"The current wages are too little," said Ath Thorn, president of the Coalition of Cambodian Apparel Workers' Democratic Union.

Officials, however, urged the strikers to accept the wage increase. "It is a democratic decision, which has to be respected," said Oum Mean, secretary of state at the Ministry of Labor.

Cambodia's garment industry supplies apparel to retailers mainly in the U.S. and the [European Union](#). The industry earned nearly \$5.1 billion in the first 11 months of this year, up 22% from the year-earlier period, according to data released by the Commerce Ministry.

Cambodia has 795 garment and footwear factories that employ about 600,000 workers, mostly women, labor officials say. Manufacturers favor the country for its low wage costs, but industrial action is frequent.

According to the Garment Manufacturers Association in Cambodia, garment workers have mounted 131 strikes from January to November, up from 121 in all of last year.

It isn't clear how many workers went on strike this week, though Mr. Thorn, the union leader, estimates about 300,000 people were involved. Local media said some 10,000 workers marched in Phnom Penh on Wednesday, while tens of thousands more skipped work elsewhere in the country.

Many manufacturers halted production after the Garment Manufacturers Association told members to close their plants for the rest of this week, citing fears the strikers could turn violent and damage factories.

With wage-related unrest likely to recur, analysts say Cambodia is under pressure to speed its economic diversification.

"Cambodia's garment factories need to constantly increase their productivity and value

addition as cheap labor is a fading advantage in a high-growth economy," said Douglas Clayton, chief executive at Leopard Capital, a private-equity firm that invests in frontier markets.

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