

Re: Procedure for the temporary withdrawal of the tariff preferences provided to the Kingdom of Cambodia under Article 19 of Regulation (EU) No 978/2012

13 February 2020

Following a year of investigations, on the 12 of February 2020, the European Commission published its decision on the partial withdrawal of Cambodia's preferential trade preferences under the EU's unilateral Everything But Arms (EBA) trading scheme. On the account of violations of human rights principles and due to insufficient progress made by Cambodian authorities, the Commission proposes to partially withdraw Cambodia's EBA preferences for certain product categories, changing their status to the Most Favoured Nation (MFN) clause. This decision was taken based on an investigation into the deterioration of democracy, respect for human rights, and the rule of law over the last three years in the Cambodia. Unless the European Parliament and the Council object to this decision, it will come into effect on 12 August 2020.

EBCA supports the EU's commitment to high social and labour standards and condemns any violations against human and labour rights and strongly encourages the Cambodian authorities to continue work on the Commission's conditions for a decision reversal in accordance with Article 20 of the Generalised System of Preferences (GSP) Regulation. These include rectifying outstanding violations falling under articles 19, 21, 22 and 25 of the International Covenant on Civil and Political Rights (ICCPR) as well as improving labour rights under the International Labour Organisation (ILO). We regret the lack of substantial change in Cambodia in the areas of concern flagged by the EU which led the Commission to its decision to partially withdraw trade preferences. This decision will have a large impact, both economic and social, notably for the most vulnerable parts of the Cambodian population, i.e. the workers in the affected sectors.

EBCA members have a strong presence in Cambodia and engage actively to promote social and labour standards throughout the supply chain. EBCA believes enhanced engagement to be a powerful tool to raise environmental, social and societal conditions. By being present in the market, applying the brands' high social and labour standards whilst simultaneously facilitating ownership through the education of workers, standards are being raised. EBCA member companies support and participate in Better Factories Cambodia's (BFC) monitoring activities under the aegis of the International Labour Organisation and the International Finance Corporation (IFC), a member of the World Bank Group. The benefits of Cambodia's EBA preferential status cannot be underestimated. The textile and footwear sector is one of the most important industries in Cambodia, accounting for 75 percent of Cambodia's exports into the EU and ranking as the second and third most imported categories of goods from Cambodia to the EU. The sector employs an estimated 1 million workers, which represent some of the most vulnerable individuals that rely heavily on the sector to sustain their livelihoods.

We urge the Cambodian authorities to commit to a better respecting of human and worker rights, as well as allowing more room for domestic political debate. We also would call upon the Commission to establish a clear roadmap and timeline for the Royal Government of Cambodia in order to track progress over the coming months. We would likewise ask for transparency and predictability from the Commission in their decision-making processes, as EBCA is committed to finding a positive solution for all parties involved.