



July 19, 2017

H.E. Ith Sam Heng  
Minister of Labour and Vocational Training  
Royal Government of the Kingdom of Cambodia  
Phnom Penh  
Cambodia

Your Excellency,

The Fair Labor Association is a multi-stakeholder initiative representing more than 40 brands in the apparel and footwear industry alongside hundreds of licensees, civil society organizations and universities. We are committed to fairness for workers in all countries from which our members source.

We are writing to express concerns about the Draft Minimum Wage Law, which is currently under consultation within the Cambodian government. While we encourage all efforts to protect workers, and particularly applaud your efforts to increase Cambodia's minimum wage to improve workers' quality of life, we find that there are several provisions in the current draft law that may hinder future consultations on the minimum wage.

Specifically, Article 17 of the draft law gives the National Minimum Wage Council the exclusive right to conduct research around minimum wage issues. Independent research on worker wages is a fundamental part of the work that the Fair Labor Association does with its affiliates around the world, and this research is important to creating consensus around fair compensation for workers. As drafted, the law would restrict the FLA, its affiliates, suppliers, and other independent researchers from collecting and evaluating wage data and making informed decisions about compensation that goes beyond the minimum wage. Without allowing others to freely conduct research on this subject, we are also concerned that the government will not have the full range of information on hand needed to make future decisions on the minimum wage. We urge you to amend the draft law so that concerned citizens, workers, civil society organizations, and other stakeholders can gather information around minimum wage issues to help develop appropriate wage policies in Cambodia.

Furthermore, we are concerned that the makeup of the National Minimum Wage Council as outlined in Article 18 may not allow for appropriate representation of workers in wage-setting processes. We request that the draft law include provisions to ensure input from workers, independent labor unions, and other representative bodies. We also urge you to reconsider the sanctions outlined in Chapter 5 so that stakeholder participation, including research and expression of opinion around appropriate minimum wage, is neither discouraged nor penalized.

On behalf of our affiliates, including those who do significant business in Cambodia, we request that the Draft Minimum Wage Law be revised in order to ensure a more transparent and effective decision making process.

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**Improving Workers' Lives Worldwide**

[www.fairlabor.org](http://www.fairlabor.org)

Thank you for the opportunity to provide input to the draft law. We stand ready to provide any assistance or clarification on these issues.

With greatest appreciation,

A handwritten signature in cursive script that reads "Sharon Waxman".

Sharon Waxman  
President and CEO  
Fair Labor Association

Cc: Pan Sorasak, Minister of Commerce  
Ambassador William A. Heidt, United States Embassy, Phnom Penh  
Ken Loo, General Secretary, Garment Manufacturers Association in Cambodia