

# CAMBODIA

## STATUTORY AND RECORDED WAGE & MONETARY INCOME LEVELS

BENCHMARK	CALCULATION NOTES	SOURCE	MONTHLY VALUE (KHR)
<p><b>Legal Minimum Wage</b></p> <p><b>National Minimum Wage—Textile &amp; Garments</b></p>	<ul style="list-style-type: none"> <li>The minimum wage for workers/employees in the textile, garment, and footwear industries is currently set at \$128/month assuming full time hours are worked, and will increase to \$140 per month as of January 1, 2016.</li> <li>In addition to the minimum wage, workers are also entitled to \$10/month as an attendance bonus (assuming perfect attendance), a seniority bonus of between \$2 and \$11 depending on length of service, and a transportation allowance of \$7/month (unless housing and transport are already provided).</li> <li>Note: Garment sector wage values are communicated officially and unofficially in dollars and workers are generally paid in dollars. For benchmarking purposes, these are converted to Cambodian Riel (KHR) using historical exchange rate on June 1, 2015 (via xe.com) = KHR 519,680.</li> </ul>	<p><u>GMAC</u> <u>2015</u> <u>unofficial</u> <u>translation</u></p>	<p><b>519,680</b> <b>(\$128)</b></p>
<p><b>Industry/sector wage comparator</b></p> <p><b>Average monthly wage (for garment and footwear sector workers)</b></p>	<ul style="list-style-type: none"> <li>The average monthly wage of workers rose to US\$169 in the first half of 2015. Converted to KHR using historical conversion rate of June 1, 2015 (via xe.com) = 686,140.27.</li> </ul>	<p><u>Better</u> <u>Factories</u> <u>Cambodia</u> <u>quarterly</u> <u>synthesis</u> <u>reports</u></p>	<p><b>686,140.27</b></p>

## INCOME AND POVERTY BENCHMARKS

BENCHMARK	CALCULATION NOTES	SOURCE	MONTHLY VALUE (KHR)
<p><b>National Poverty Line (Urban areas ex. Phnom Penh, 2 adults and 1 earner)</b></p>	<ul style="list-style-type: none"> <li>In 2013, Cambodia's Ministry of Planning introduced a new basic needs poverty line based on the cost of a 2,200 Kcal diet according to the buying habits of the bottom quintile and to 30th percentile of the population. An additional non-food component is included based on 14 standard household items commonly consumed by the bottom 20th to 30th percentile groups in the population, plus an additional margin for water.</li> <li>Separate calculations are available for Phnom Penh, rural and urban areas. The urban area figure, in the absence of an overall national average is used here.</li> <li>The line is KHR 132,386/person/month (2013). Adjusted by inflation rate using IMF WEO CPI (to 2015 value): 138,949</li> <li>For a household with two adult consumption units and a single earner, the value is KHR 277,898/household/month</li> </ul>	<p><u>Ministry of</u> <u>Planning</u> <u>2013</u></p>	<p><b>277, 898</b></p>

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## INCOME AND POVERTY BENCHMARKS

BENCHMARK	CALCULATION NOTES	SOURCE	MONTHLY VALUE (KHR)
<b>World Bank 'international poverty line' (2005 PPP\$ 2/day)</b>	<ul style="list-style-type: none"> <li>Following World Bank's suggestion, we used the 2005 Purchasing Power Parity (PPP) conversion factor, adjusted for inflation. The reason for this is that when the World Bank recently updated its poverty thresholds, the study considered that for a small set of countries, including Bangladesh, Laos, Cambodia, Cape Verde, Jordan, Egypt, Iraq, and Yemen, the 'extrapolated' 2005 PPP\$ (adjusted for inflation) was more accurate as a measure of poverty/living costs than the 2011 PPP\$. Therefore, as an exception, the best like-for-like comparison with countries' minimum wages converted to 2011 PPP\$ for Cambodia is the 2005 PPP conversion factor, adjusted for inflation. For more information, see pages 30-31 of the World Bank Group/IMF, 2016, Global Monitoring Report 2015/16 Development Goals in an Era of Demographic Change, at <a href="http://pubdocs.worldbank.org/pubdocs/publicdoc/2015/10/503001444058224597/Global-Monitoring-Report-2015.pdf">http://pubdocs.worldbank.org/pubdocs/publicdoc/2015/10/503001444058224597/Global-Monitoring-Report-2015.pdf</a></li> <li>For World Bank international poverty line, poverty is measured at PPP\$3.10 a day, for international extreme poverty line, it is measured at PPP\$1.90 a day. However, due to the reasons stated above, for Cambodia, the former standard poverty benchmarks of PPP\$1.25/day (extreme poverty line) and PPP\$2/day (international poverty line) are used instead of the updated \$1.90/day \$3.10/day lines.</li> <li>The \$2/day equivalent is <math>(1,278.55 * 2) = \text{KHR } 2,557.10</math></li> <li>On a monthly basis, this is <math>(\text{KHR } 2,557.10 * (365/12)) = \text{KHR } 77,778.46</math></li> <li>Adjusted for inflation using IMF WEO CPI (to 2015 value), this amount is <math>[159.97 (\text{CPI } 2015)/92.40 (\text{CPI } 2005) * 77,778.46] = \text{KHR } 134652.76/\text{person}/\text{month}</math></li> <li>The household equivalent of KHR 134,652.76 assuming two consumption units and one earner is KHR 269,305.51</li> </ul>	<u>WB 2011 ICP</u>	<b>269,305.51</b>
	<ul style="list-style-type: none"> <li>The household equivalent of KHR 134,652.76 assuming three consumption units and 1 earner is KHR 403958.27.</li> </ul>		<b>403,958.27</b>
<b>Union Demand  Garment worker minimum wage demand</b>	<ul style="list-style-type: none"> <li>In a high-profile demonstration which ended in violent clashes with police in January 2014, workers demonstrated for the minimum wage to be increased to \$160/month.</li> <li>Workers cited a December 2013 tripartite task force report that estimated that a minimum wage should fall between \$157 and \$177 to support a worker and his/her family.</li> <li>US\$160 in KHR is 641,600/household/month (based on xe.com historical rate on January 1, 2014).</li> <li>Adjusted for inflation rate using IMF WEO CPI (to 2015 value): 648429.93</li> </ul>	<u>Asia Monitor Resource Centre</u>	<b>648,429.93</b>

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## INCOME AND POVERTY BENCHMARKS

BENCHMARK	CALCULATION NOTES	SOURCE	MONTHLY VALUE (KHR)
<b>Living Wage Estimate</b>  <b>Labour Behind the Label</b> <b>(3 adults and 1 earner)</b>	<ul style="list-style-type: none"> <li>Living wage estimate based on food consumption and non-food costs including discretionary income for a family with single earner (three adult consumption units) from 2013 = 450.18/month in US\$. US\$450.18 in KHR is 1,833,578.64/household/month (xe.com—historical exchange rate: Oct 2013)</li> <li>Adjusted for inflation rate using IMF WEO CPI (to 2015 value): 1,924,477.43</li> </ul>	<a href="#">Community Legal Education Center (CLEC)</a>	<b>1,924,477.43</b>
<b>Living Wage Estimate</b>  <b>Asia Floor Wage</b> <b>(3 adults, 1 earner)</b>	<ul style="list-style-type: none"> <li>Asia Floor Wage Alliance (latest revision found from 2015—1021PPP\$)—A standard PPP\$-based estimate for East and Southeast Asian countries applicable to manufacturing industries (based on a 3000 kcal diet for a three-adult-equivalent household with a single earner)</li> <li>Food basket research was done in Cambodia, India, Indonesia, and Sri Lanka to obtain the country Asia Floor Wage figures. For other Asian countries where food basket research was not conducted, the figures were extrapolated.</li> </ul>	<a href="#">AFW 2015</a>	<b>1,630,045</b>

# MEDIAN FACTORY COMPENSATION COMPARED TO BENCHMARKS

## CAMBODIA (1) *Currency: Riel (KHR)*

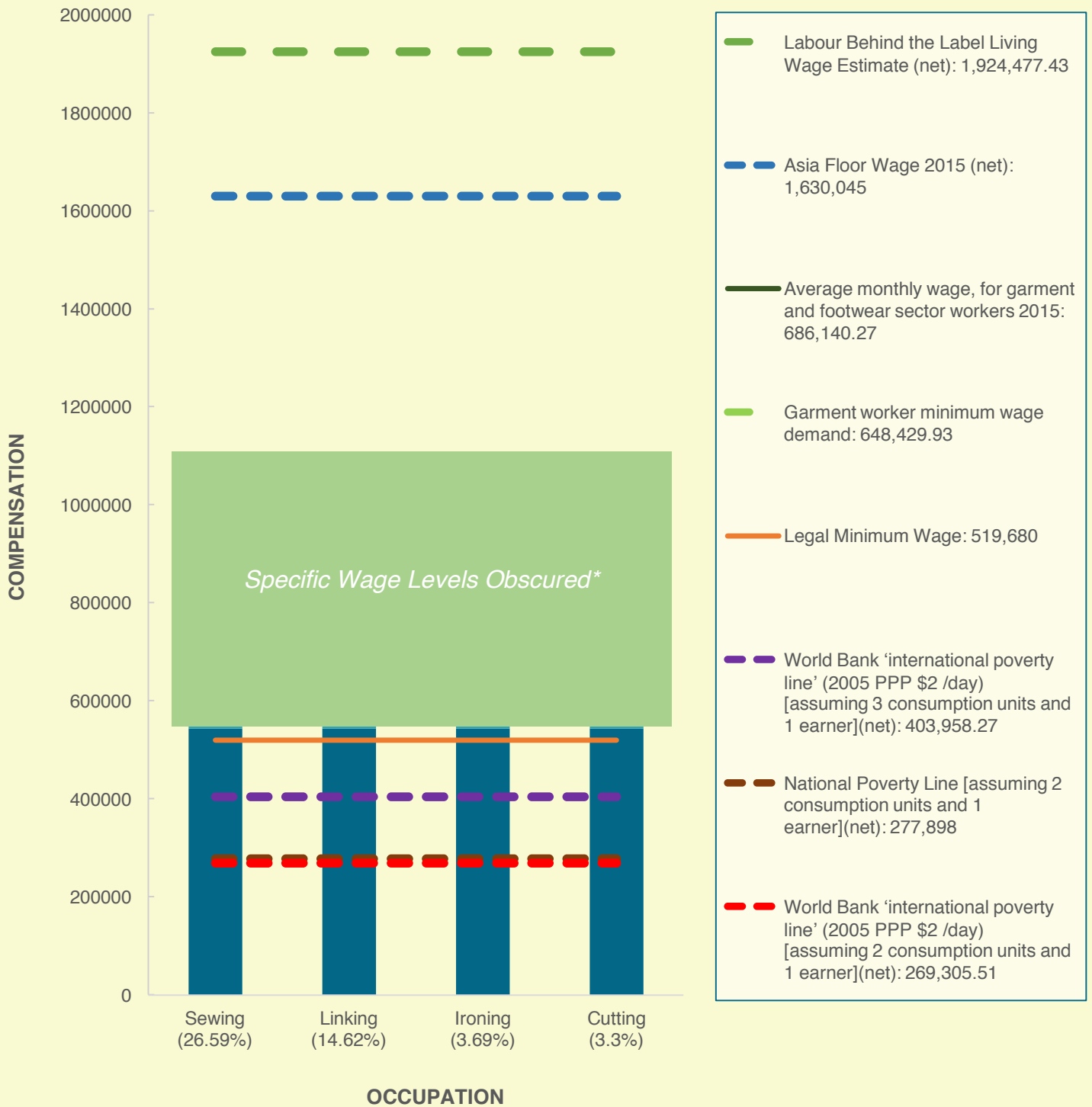


Gross Compensation includes Basic Contracted Wage, Cash Benefits, and In-kind Benefits. Net compensation subtracts Legal Deductions and Taxes.

Occupation	Net Compensation	Gross Compensation
Sewing	766710.7	766710.7
QC	796287.8	796287.8
Cutting	757190	757190
Packing	683298	683298

# MEDIAN FACTORY COMPENSATION COMPARED TO BENCHMARKS

## CAMBODIA (2) *Currency: Riel (KHR)*



Basic Contracted Wage

Cash Benefit

In-Kind Benefit

Incentives

\* Specific wage levels have been obscured in an abundance of caution to avoid the potential disclosure of information that may be competitively sensitive.