

European garment firms to receive boost

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Representatives from the Garment Manufacturers Association in Cambodia (GMAC) and European Chamber of Commerce in Cambodia (EuroCham) at Wednesday's signing ceremony. GMAC

Garment Manufacturers Association in Cambodia (GMAC) and the European Chamber of Commerce in Cambodia (EuroCham) on March 16 entered into a memorandum of understanding (MoU) to foster closer cooperation between the two associations and their members, and to support European garment companies and fashion brands in the Kingdom.

The MoU comes just days after Cambodia and the EU renewed their pledge to enhance bilateral trade and investment ties in spite of the lingering economic fallout from the Covid-19 pandemic.

The MoU was signed within the premises of the Cambodian Garment Training Institute (CGTI), in Phnom Penh. Under the deal, EuroCham will set up a public training programme with the CGTI, focused on sustainable textile sourcing, Occupational Safety and Health (OSH) and compliance.

EuroCham will also coordinate support from German development agency Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH (GIZ) under the FABRIC project – a

multi-year programme that seeks to promote sustainability and social responsibility in the textile and garment industries in Asia – to fund the training initiative.

At the signing ceremony, GMAC chairman Kong Sang noted that Cambodia and the EU are major trading partners, suggesting that the “success and exponential export growth” of the Cambodian garment industry can be attributed in large part to preferential market access to the bloc granted under the Everything But Arms (EBA) scheme.

Sang underscored the importance of updating and adapting strategies to unlock new growth potential and ensure that economic benefits are maximised.

“The MoU signed today is an invaluable partnership to further strengthen the industry’s competitiveness through capacity building in the many areas [set out in the deal] and joint advocacy to influence relevant policies.

“I am firmly convinced that the secretariats of our two institutions will jointly implement all the action plans to which we have committed to ensure success,” he said.

EuroCham chairman Tassilo Brinzer said that his chamber represents a “good mix” of large European fashion brands who play a “crucial role” in Cambodia’s garment and manufacturing industries, as well as local, innovative small- and medium-sized enterprises (SME), factories and peripheric businesses such as auditing and logistic firms focused on the garment industry and its exports.

“There is thus a strong synergy across our membership base, which also makes us a powerhouse that is capable to drive the interests of the industry and its stakeholders forward – forward towards more sustainable practices, greener production, circularity, higher skills and higher quality goods benefiting Cambodia’s economy.

“Embracing new initiatives such as supply chain due diligence legislation in the European Union will of course be crucial to leverage export opportunities. We are glad that GMAC, as the main industry organisation, is our companion on this important journey.

“We are looking forward to a fruitful cooperation and to add a European perspective to the wider Cambodian garment, footwear and apparel industry”, he said.

According to GMAC’s Sang, bilateral trade between Cambodia and the EU rose from \$4.300 billion in 2020 to \$4.500 billion last year.

He revealed that Cambodian exports of textile-related goods to the EU in 2021 totalled \$2.683 billion, or around 60 per cent of total trade volume. Broken up by category, garments, footwear and travel goods respectively accounted for \$2.207 billion, \$383 million and \$93 million, he said.

“Travel goods” is a designation that includes suitcases, backpacks, handbags, wallets and similar items.

Sang added: “Of course, a big part of our success and export growth came from the trade preferences of the European Union for [Cambodia] ... as a least developed country.

“It is important for Cambodia to continue to maintain and further strengthen its competitiveness to reap the maximum economic benefits from the potential of more export growth.”