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U.S. Agency for International Development Signs New Contract with Nathan – MSI Group to Implement the Improving Competitiveness And Labor Productivity In Cambodia’s Garment Industry Project

On September 23, 2005 the United States Agency for International Development (USAID) signed a new contract with Nathan – MSI Group to implement the three-year \$3.5 million Improving Competitiveness and Labor Productivity in Cambodia’s Garment Industry Project.

Phnom Penh (September 23) – The Government of the United States of America today signed an agreement providing nearly \$3.5 million in US Agency for International Development (USAID) funds to improve competitiveness and productivity in Cambodia’s Garment Industry sector.

The agreement obligated \$1.75 million in funds to address means of improving the sector within the highly competitive garment manufacturing arena in Southeast Asia and other parts of the world. Funds will be used to promote a variety of activities related to training management and labor in key areas of the production system. Programs will be implemented through a prime contractor and Cambodian organizations, working in close coordination with the Garment Manufacturers, as well as other agencies.

The purpose of this USAID project is to improve the competitiveness of the garment manufacturing industry in Cambodia by creating the Garment Industry Productivity Training Center, which will develop competitive strategies and implementation plans for outreach training programs and best practices management systems. Implementation of these strategies over three years will serve as both concrete plans to expand the economic impact of the garment sectors of the economy.

Cambodia’s accession to the WTO provides an impetus to introduce “international best practices” on certain policy issues that have governance as well as legal

implications. Work related to the garment industry—including labor tribunals and work standards certifications, which are both concurrently going to be funded by USAID at this time—should receive serious consideration, given the importance of the garment industry as a source of employment, economic growth and foreign exchange. Specifically, in light of this project, a more competitive and productive garment industry (the only major export industry in Cambodia) will affect more than a quarter of a million workers in an industry that contributes to 40% of the formal Cambodian economy.

This three year project to be implemented in Cambodia is expected to begin in October 2005.

For more information, please contact the Public Affairs Section of the U.S. Embassy at 023 216 436.

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