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CAMBODIAN FEDERATION OF EMPLOYERS AND BUSINESS ASSOCIATIONS

PROJECTS



**ILO ACT/EMP – Youth
Employment and
Social Dialogue
Project - YEP**

**ILO/IPEC – Child
Labour Project**
TOGETHER LET US END
CHILD LABOUR

MEMBERSHIPS

IOE
International
Organisation of
Employers

CAPE
Confederation of Asia
Pacific Employers

ACE
ASEAN Confederation
of Employers

(Unofficial Translation)

7 April 2008

Our Ref: 01/04/08

H.E Seng Sakda
 Director General of Labor
 Ministry of Labor and Vocational Training
 Royal Government of Cambodia,
 Phnom Penh.

Dear H. E Seng Sakda:

RE Request of Contribution Rate of 0.8% of Workmen Compensation in NSSF and Extension of the Registration Deadline to 31 May 2008.

Further to the Meeting on March 26, 2008 on NSSF which I understand that NSSF is not agreeable to providing the support letter for the survey for workmen compensation data.

As mentioned in the above subject and reference, I would like to inform you that Employer Organization CAMFEBA and GMAC NSSF sub committee members held an urgent meeting on 27 March. After much deliberation, members felt that amidst all the cost pressures the industry are facing such as:

- the present strike situation where unions are demanding for higher wages and
 - the increasing cost of production,
- members state that the 0.8% contribution rate based on the draft Prakas of “Benefits of Workmen Compensation” by Minister of Labor and Vocational Training is the most affordable rate given the limited information and that Cambodia is an LDC country.

Most of our members are only currently only paying 0.3% to 0.4% for accident policy with very low claim rates. Thus it is a giant increase in costs to ask them to pay 4 to 6 times more.

Further to our letter 044/03/08 dated 26 March 2008, GMAC would like to request for an extension of the registration deadline to 31 May 2008 given the following situations:

- GMAC members and staff have been very busy attending to strike issues and negotiations with the Unions.
- The coming Khmer New Year and the expected high mobility of workers joining and leaving each factory.
- The uncertainty of the contribution rate.

As mentioned above, we hope that your Excellency will consider the request of contribution rate of 0.8% of workmen compensation and extension of the registration deadline to 31 May 2008 by seriously considering the challenges that the economy, particularly the industry is facing and the added cost of operation with the implementation of NSSF. We beseech your consideration of the consequences this might have on the competitiveness for Cambodia and particularly the garment supplier and the attractiveness for the potential investors.

Respectfully Yours,
for & on behalf of
Cambodian Federation of Employers and Business Associations

Van Sou Ieng
President

CC:

- H.E. Mr. Keat Chhon, Senior Minister, Ministry of Economy & Finance.
- H.E Mr Cham Prasidh, Senior Minister, Ministry of Commerce
- H.E Mr Vong Soth, Minister, Ministry of Labor and Vocational Training
- H.E Mr Noth Sokhom, Minister of Health
- H.E Mr Sok Chenda, Secretary General of Council for the Development of Cambodia

