



The American Chamber of Commerce Cambodia
#93 Preah Sihanouk
Khan Duan Penh
Phnom Penh, Kingdom of Cambodia

March 13, 2019

TO THE MEMBERS OF THE UNITED STATES SENATE AND HOUSE OF REPRESENTATIVES

The American Chamber of Commerce Cambodia is deeply concerned by the introduction of the “Cambodia Trade Act of 2019” by Sen. Chris Coons, Sen. Ted Cruz, Rep. Lowenthal and Rep. Chabot. While we know the desire of our honorable lawmakers to pressure the Royal Government of Cambodia (RGC) for domestic political actions viewed as unacceptable, we believe this approach to be counterproductive. The primary effects of GSP removal will be felt by the factory workers and their families whose livelihoods depend on the trade supported by this preference. Additionally, American businesses will suffer from a perceived lack of stability in the Cambodian economy and a further degradation of the trade relationship between our nations.

The spirit of the 1974 Trade Act, to “provide opportunities for many of the world’s poorest countries to use trade to grow their economies and climb out of poverty,” has been realized in Cambodia. Through this policy, the US has contributed directly to the livelihoods tens of thousands low income Cambodians, each of whom use their salaries to feed another five family members. The American businesses whose goods are produced in these factories also benefit greatly; the majority of the monetary value generated from these goods is captured in the United States, both on US corporate balance sheets and by the American Consumer and American service workers through retail sales.

With regards to the official eligibility criteria for GSP, we believe Cambodia’s compliance remains unchanged since GSP was first granted. Worker’s rights and working conditions have made significant progress over the past decade and there continues to be ongoing reform. Child labor, an area critical for eligibility and for American business ethical standards, is an excellent example where the International Labor Organization reports a significant decrease to less than ten cases in 2018 (down from 74 cases in 2013).

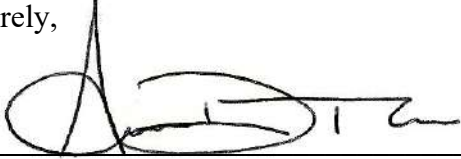
We believe the use of the GSP review process as a means for sending a political message, which is unrelated to the spirit of the 1974 Trade Act, will drastically decrease the goodwill and progress this system has created among the ordinary Cambodian citizen. It would also undermine decades of hard work by American aid programs, NGOs, businesses and citizens who have labored to build America’s brand as a partner in Cambodia’s development and to create deep people-to-people ties with the Cambodian people. While we understand the intent of this action, the message heard by Cambodian workers will be one of America’s abandon, not one of support for their rights.

American Chamber of Commerce in Cambodia

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While the review of eligibility criteria is not a final ruling, the act of referral by Congress is enough to cause serious disruption to business confidence, leading to real effects on the Cambodian worker. A vacuum created in this commercial space would only further the interests of third party actors competing with America in the region. We urge our lawmakers to carefully consider this step which would further distance our nations and the weaken the regional strategic interests of Americans. In closing we humbly invite Sen. Chris Coons, Sen. Ted Cruz, Rep. Lowenthal and Rep. Chabot, along with all of our interested Lawmakers, to visit Cambodia to allow us the opportunity to share the situation firsthand.

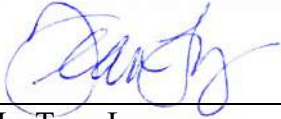
Sincerely,



Mr. Allen Dodgson Tan
Chairman, Board of Governors
American Chamber of Commerce Cambodia



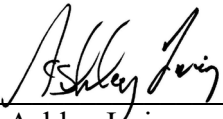
Mr. Bretton G. Sciaroni
Chairman Emeritus, Board of Governors
American Chamber of Commerce Cambodia



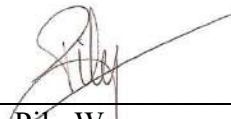
Ms. Tean Ly
Co-Chair, Board of Governors
American Chamber of Commerce Cambodia



Mr. Anthony Galliano
Treasurer, Board of Governors
American Chamber of Commerce Cambodia



Mr. Ashley Irving
Secretary, Board of Governors
American Chamber of Commerce Cambodia



Mr. Pily Wong
Governor, Board of Governors
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Ms. Ali Copple
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Mr. Matt van Roosmalen
Governor, Board of Governors
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Mr. Sophea Ros
Governor, Board of Governors
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