

PRESS RELEASE

The Cambodian Bicycle Coalition (CBC) Responds to Report “Unterm Rad”- published in Die Zeit, 4. Dezember 2019¹

Bavet City, December 15, 2019 – On December 4, 2019, an article was published by German publication *Die Zeit* alleging poor working conditions in the Cambodian bicycle sector.

The article contains incorrect claims and misrepresents the actual working conditions including in the three factories of the Cambodian Bicycle Coalition (CBC), located in Bavet City of Svay Rieng Province.

Among the allegations in the article published by *Die Zeit* are the following: (1) it is difficult to speak with workers because they are afraid they will be fired; (2) workers are required to meet inflated production targets and are pushed to exhaustion without breaks to meet them; (3) there is inadequate drinking water provided; (4) wages are extremely low; (5) paid holidays are denied; and (6) unions are excluded from the three factories and workers organizing are fired.

The CBC understands that *Die Zeit* made no attempt to contact any representatives from the unions at the CBC factories – and are basing their report on interview with four workers arranged by a union confederation. The article provides no confirmation of how the reporter determined these four workers are employed at the three factories profiled in the article. Even assuming these four workers attended the meeting on the Sunday claimed by the reporter, and actually work for the three factories of the CBC, it would appear, and even taking into account the reluctance of workers to lose part of their Sunday for such a meeting, that the opportunity to provide detailed grievances about working conditions in the CBC factories to a reporter from a major German outlet was of limited interest to the CBC workforce.

Perhaps that is because the CBC workforce is generally treated fairly and paid competitively in accordance with the prevailing wages in the sector, which is generally a higher monthly wage than available in other manufacturing or service sector jobs.

With regard to the specific allegations, one, the claim that workers are afraid to speak about their working conditions for fear of dismissals is reported as truthful without any proof nor indication of any such dismissal having ever occurred. Indeed, there is no evidence of such dismissals for such a reason, and the claim in the article is simply tautological.

Two, as provided to the reporter and included to some extent in the article, the CBC factories do not impose production quotas on workers – period. Our workforce is able to meet our production needs even during peak season months. *Die Zeit* itself notes that workers generally leave CBC factories by 4:30 PM after an eight-hour shift, which would not likely be true if they were unable to complete alleged daily production targets.

Moreover, the allegation in the article of inflated production targets is reportedly based on a statement from a worker employed at the A&J factory for the last five years. Subsequently, the same worker also reportedly indicates (with alleged corroboration by another worker (presumably one of the four)) that he made bicycles for the German company Cube. However, Cube is not an A&J customer and A&J has not supplied any bicycle to Cube in the last five years. This error calls into question the veracity of the sources relied upon by *Die Zeit*. Had the reporter for *Die Zeit* sought to engage with CBC management and workers during the course of their visit to Bavet City, perhaps such errors could have been avoided.

As in any manufacturing enterprise, what CBC factories do is based on time and industrial engineering studies we develop internal goals for factory production taking into account the workforce and the models for production and other factors. But the factories do not assign production quotas. Nor do the factories deny breaks to workers, either bathroom or lunch breaks. It should go without saying that it would be counter-productive for us to attempt to have employees working to the alleged point of exhaustion since not only

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would that be against our basic standards of decency and dignity as companies, but efficiency and quality would plummet if workers are exhausted. It is an absurd allegation and a reproof of the inconsistency of the same report.

Three, for similar reasons, all CBC factories provide potable water and permit workers to drink water whenever they need it. The claim we fail to provide adequate drinking water is again simply untrue.

Four, it is claimed in the article that wages are absurdly low at our factories. This is again, simply incorrect. Our average monthly wage varies between \$190 and \$250, which is higher than the existing minimum monthly wage for the apparel and footwear sector of \$183 a month.

Five, with regard to the allegation that paid leave is withheld, CBC workers are entitled to 18 days a year, which under our policies, as noted in the article, is normally approved by supervisors whenever workers apply for it. In addition, CBC factories are subject to regular social and environmental compliance audits conducted by independent auditors and commissioned by our customers, and no such concerns about paid leave have been identified.

Six, once again, no evidence is presented for the claim that any worker seeking to organize a union at our factories would be dismissed. The allegation itself is offered as proof of its truthfulness. The CBC factories do not dismiss workers who exercise their rights of association or seek to organize unions. It is not coincidental in terms of the lack of specificity with regard to the other allegations, that no specifics of such dismissals are provided.

The CBC regrets that *Die Zeit* found it appropriate to publish such a flawed article at such a critical time for the Cambodian bicycle industry. We are making the case to the European Commission and members states that the industry provides much needed employment and improved living standards for not only our 6,000 direct employees, but tens of thousands of other family members that depend upon them. It would be tragic and unfair for these workers if a decision by the European Commission to deny EBA benefits to bicycles from Cambodia and to reimpose tariffs on them would in part rest on such a flawed and inaccurate article. We hope that will not be the case. The CBC will do everything it can to continue to make the case for its workforce and the value of Cambodia as a continued bicycle supplier to the EU.

About CBC

Cambodian Bicycle Coalition: The three companies forming the CBC are: A&J (Cambodia) Co. Ltd., Smart Tech (Cambodia) Co. Ltd., and SpeedTech Industrial Co. Ltd. CBC operations sustain directly 6000 workers in the region, which 50% are composed of female workers and indirectly contribute to the wealth of 30.000 to 40.000 people in Cambodia.

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