

PRESS RELEASE

October 22, 2019

STATEMENT

The Cambodian Bicycle Coalition (CBC) Responds to Report in Bicycle Europe: Expresses Concern on Impact of EBA Review on Exports

Bavet City, October 22, 2019 – The Cambodian Bicycle Coalition (“CBC”), representing the three bicycle manufacturers exporting to the European Union, remains encouraged that Bike Europe reported on October 21, 2019 that Cambodia remains the largest supplier of bicycles to the EU during the first half of 2019. At the same time the CBC expressed concern that the report cited a decline in volumes citing the possible impact of the on-going “Everything But Arms” (EBA) review procedure by the European Commission, that could potentially lead to the suspension of the tariff preference for Cambodian bicycle exports to the EU.

The CBC stated today that, “We trust the European Commission will recognize that any withdrawal of trade benefits will hurt our workers, their families and set back development in the communities in which we operate. We encourage the EU to maintain our EBA status. We look forward to remaining the number one bicycle supplier to the EU market and hope that the small decline in the first half of 2019 will reverse in 2020 when the EBA review is completed.”

The CBC went on to say that, “We expect that the European Union will recognize that we remain committed as a sector to be socially responsible employers and continue our efforts to further enhance the working and living standards of our workforce. We look forward to do that in even greater collaboration with our stakeholders in the European Union and, of course, in Cambodia.”

“We again ask,” the CBC said, “that the Commission to not take any action that penalizes our operations in Cambodia.”

The EBA program provides for duty-free and quota-free access to the EU market for bicycles; without it, the CBC manufacturers would face an EU tariff of 14 percent on their exports. In February 2019, the EU initiated the procedure to consider the temporary withdrawal of EBA tariff preferences for Cambodia based on human and labor rights criteria. This procedure is now nearing its final stages and a decision is expected to be announced early in 2020.

The CBC, stated today, “The data reported by Bicycle Europe makes clear that we continue to compete heavily with China, Taiwan, India, Sri Lanka, India, Bangladesh and the Philippines for our markets in the European Union. We do this on the basis of high labor standards and respecting the rights of our workers. We encourage the EU to continue in constructive dialogue with the Royal Government of Cambodia, and to maintain the EBA framework in doing so.”

The bicycle industry is located in Bavet City in Svay Rieng Province and the CBC supports 6,000 direct jobs across bicycle production factories, parts and material suppliers, logistics and transport, etc., in the region. The CBC has been a success story of the EBA program. Exports have grown in a little more than a decade from under € 30 million to over €300 million in 2018.

The EU has recognized the CBC companies for their fair-trade practices and as important suppliers to the EU market. Since May 2015, the EU has levied anti-dumping tariffs on bicycles from Cambodia. However, the three companies of the CBC are the only three bicycle manufacturing companies in Cambodia exempted by the EU from these anti-dumping tariffs and since 2015, almost all Cambodian bicycles exported to the EU from Cambodia have been manufactured by the companies of the CBC.

Based upon this history of legal and positive business practices, the CBC requests the EU again recognize the role played by these same three companies by maintaining EBA for their exports. Withdrawing EBA benefits in no way achieves the goals of the EBA program, it will rather set back economic and social progress and impose a devastating impact on Bavet City and Svay Rieng Province and be contrary to the goals of the EBA program itself.

Media Contact: Jon Edwards, Chairman of CBC / Julien Schiettecatte
Email: jon@cambodian-bicycle.org / info@cambodian-bicycle.org

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.