



Ministry of Economy and Finance

Phnom Penh, March 21, 2022

Press Release

The Official Launch of “Cambodia Garment, Footwear and Travel Goods (GFT) Sector Development Strategy 2022-2027”

On March 21, 2022 at 10:00 AM, with the high permission of **SAMDECH AKKA MOHA SENA PADEI TECHO HUN SEN, Prime Minister of the Kingdom of Cambodia**, the Committee on Economic and Financial Policy held the dissemination and official launch of the *“Cambodia Garment, Footwear and Travel Goods (GFT) Sector Development Strategy 2022-2027”* via the video conference, presided by **His Excellency AKKA PUNDIT SOPHEACHA Aun Pornmoniroth**, Deputy Prime Minister, Minister of Economy and Finance and Chairman of the Committee on Economic and Financial Policy, as well as other top officials and representative from relevant ministries-institutions, embassies, development partners, nation-international associations, unions, brands and buyers.

Due to peace and political stability, competitive wages and production cost, preferential trade access, and favorable investment climate that are Cambodia’s competitive advantage, the garment footwear and travel goods sector has grown significantly and become a major economic growth pillar. In fact, from the late 1990s to 2008, this sector accounted for more than 95% of Cambodia's total exports, and has remained high with an average of more than 70% since the global financial crisis in 2008, as other exports such as bicycles, vehicle parts and electronic components have increased, implying Cambodia’s gradual diversification.

Although there has been continuous development within this sector, its structure has remained unchanged over the past three decades, as it is still a low value-added manufacturing hub with limited integration to supporting industries within the supply and value chains. Meanwhile, there are significant trends and

developments that require additional attention at both policy and operational levels, specifically on environmental protection or environmental sustainability. Particularly, responsibility in environmental protection or environmental sustainability, such as the use of renewable energy in the production process, is receiving high attention from buyers and Cambodia's export markets. In addition, the COVID-19 crisis and its disruption on the regional and global production and value chains have posed further challenges and pressures to this sector.

Therefore, the Royal Government of Cambodia (RGC) has observed the importance and necessity to prepare and implement the *“Cambodia Garment, Footwear and Travel Goods (GFT) Sector Development Strategy 2022-2027”* in order to define a common vision, objectives, goals and strategic measures that will continue to strengthen and manage the development of this sector in line with the Cambodian context, which has both challenges and opportunities as well as respond to the rapid changes in regional and global architecture. In this regard, through the implementation of this strategy, the RGC will upgrade the garment, footwear and travel goods sector in Cambodia into an industry that is environmentally sustainable, resilient, high value-added, focused on high-ended and unique products, highly competitive and supportive of economic diversification before the end of 2027.

Finally, the RGC believes that the implementation of this strategy will contribute to solving structural issues and enable Cambodia to seize opportunities to promote the development of the garment sector, as well as inclusive and sustainable economic growth and development. This strategy will also contribute to the enhancement of competitiveness and promoting the economic diversification, in response to the people's expectation and needs, and to build necessary foundations to achieve the 2030 Milestone and the Cambodian Vision 2050.

