

STATEMENT

GMAC to officially submit a petition for Footwear GSP to the US government today

PHNOM PENH, 17 October 2017: The Garment Manufacturers Association in Cambodia (GMAC) has submitted a petition today to the US government requesting for the Generalized System of Preferences (GSP) for footwear products exported out of Cambodia into the US market. The petition is submitted as the US government is going to review the GSP program by the end of the year.

The submission is done with supports of the government's Ministry of Commerce and is based on the success it had in achieving Congressional approval of the Trade Preferences Extension Act of 2015 H.R. 1295, signed into law on June 29, 2015, which made 28 tariff lines of travel goods within subheading 4202 of the HTS eligible for duty free treatment under GSP.

Currently, the GSP coverage for Cambodia does not include garment and footwear articles: major export products of Cambodia. The US government is now reviewing its annual GSP policy, and GMAC has engaged a Washington-based law firm to help with its request and process, which if successful would tremendously help the Cambodian economy in term of export growth, new investment and employment generation for thousands of Cambodians.

GMAC has been working and will continue to work closely with the law firm for the success of this petition. According to the staff of the Committee of Jurisdiction, the House Ways and Means Committee and the Senate Finance Committee, there will be a concerted effort to renew the overall GSP program before its expiration on December 31, 2017. The footwear remains a sensitive industry in US trade policy, which will prevent the inclusion of certain types of footwear in GSP eligibility, and the amount of lost tariff revenue will also limit the scope of footwear to be included. Dealing with this, GMAC's approach is to try to have Cambodia's priority types of footwear included in the bill.

Presently, GMAC has 59 footwear manufacturing factories and exported about US\$700 million worth of goods last year. GMAC is hopeful of its effort though the renewal is not guaranteed to occur before the expiration at the end of this year due to challenging calendar, especially with the delayed US congressional action on major health care reform and tax reform bills. Early or later, **GMAC strongly believe that this petition would receive positive responses from the US government in consideration of our continuous improvement in working condition, especially the improvement in wage payment leading to further upgrading of the welfare of our workers.**

As for a specific timeframe, there will be hard work between October and December 2017 to have the bill introduced in the US Senate. If this GSP program is not extended by the end of this year, the effort will continue through the end of the current US Congress in December 2018.

