Czech University of Life Sciences Prague

Faculty of Economics and Management Department of Statistics

Abstract of the Bachelor Thesis

Statistical Analysis of textile industry development in Cambodia

Author: Sivpheng Chea

Supervisor: Ing. Tomáš Hlavsa, Ph.D.

Summary

This thesis focus on statistical analysis of textile industry development in Cambodia, The main aim in this thesis is assess possible factor, which affect the textile and garment industry in Cambodia. The theoretical part of the thesis introduce a short history of macroeconomic, history of the expending of the industry, after that there will be literature review part, which describe briefly about the export of garment and textile products, global buyers, policy, labour standard, wages, corruption and strike which cause a bad reputation for Cambodia and chase away foreigner investors. There are also an online interview with three different general manager's advisers and administration managers of textile factories in Cambodia using Skype program to communicate.

Keywords: Cambodia, garment, textiles, industry, labor force, statistical analysis

Objective

The main objective of this thesis is to assess possible factor, which affect the textile and garment industry in Cambodia. As a hypothesis, it's presumed that Cambodia as a country from the point of view of export of textile industry get over the global crisis, which hit the world economy in the past. Another, objective is to create an online interview survey with own questionnaires for marketing research. The aim of the interview survey is to identify the problem of textile industry and to identify the problem, which affect the competitiveness of textile industry in Cambodia.

Methodology

As a methodology, initial point was to investigate the secondary data collected mentioned literature, articles, report and Internet resources, which was drawn from sources listed in the bibliography. There is also an interview survey, which carried out from 10th until 28th January 2015 using Internet program called Skype to communicated. In this thesis, there will be based on quantitative and qualitative information gather through primary and secondary research.

Primary data were gathered from different official webpages, which include Cambodia ministry of commerce, World development indicator, Cambodia ministry of economy and finance, US trade commission, and international trade statistics. Secondary research will be based on literature reviews on relevant reports and article on Google.com. This thesis using time series to predict the future of garment export in value from 2015 to 2018 with the trend function equation using linear function in Microsoft Excel.

Conclusion

The aim this thesis was statistical analysis of textile industry development in Cambodia. In this thesis, it set out to assess possible factor, which affects the textile and garment industry in Cambodia.

As a result, the cause of the global economic crisis in 2008 and 2009, proved that textile industries in Cambodia is not likely to be sustainable in the medium to long term with the trade access and low-cost labor. Result also proves that, Cambodia has a very low labor standard and there are many unskilled workers who need to improve, in term of a better future for garment and textile industry in the country. In Cambodia, there are approximately 90% of women workers, who work in textile industry; almost all of these women are from different poor rural parts. They mostly came to the capital city by themselves and start to live independent.

Based on online interview that took placed on Skype program between 10th to 28th of January 2015 with three different General manager's advisors and administration of three different factories in Cambodia, it shows that labour unrest, putting pressure on supplier as well as investors, to the world big textile and garment brand to increase worker salary, the reason behind this, is because workers think that their wage rises have never kept up with costs and inflation in Cambodia is really low for a developing country, even the price of basic items has risen faster.

According to the calculation using Microsoft Excel, author has standard deviation, which were 1,19 and the forecasting of 2015 expect to be $5,2 billion, follow by the expectation of 2016 = $5,5 billon, 2017 = $5,8 billion and 2018 = $6,1 billion. With this result, it describes that, at this very difficult time in Cambodia for the textile industry, United States and European Union still increased trade preferences and

provides Cambodia a good deal by allowing the garment and textile industry to revitalize.

The hypothesis of this bachelor thesis was to confirm that Cambodia got through the global crisis in export of garment and textile products and it was proved by a comparative analysis over the years.

As a recommendation to the future, Cambodia should prevent strike from happen by making properly comply with labor law, as well as to increase the average wage. Moreover, what have to be done in term of a better industry, Cambodia needs to thinks of improve their commercial and their competitive environment. They should provide livelihoods to many who have little education and just a few skills.

Bibliography

ANDERSON, D. R.: *Statistics for business and Economics.* South Weatern: Cengage Learning, 2011, ISBN 978-0324783247

Ahmad, M.: *Impact of origin rules for textiles and clothing on developing countries.* Geneva, Switzerland, 2007, ISSN 1995-6932

Aun, P.: *Cambodia: Diversifying beyound garments and tourism.* Mandaluyong, Philippines: Asian Development Bank, 2014,
ISBN 978-92-92549807-0

Johnsson, L.: *The impact of rules of origin on trade, comparison of the EU's & the US's rules for the textile and clothing sector:* National Board of Trade, 2012,

ISBN 978-91-86575-34-2

MAITAH, M.: *Macroeconomics, Issues and Exercises.* Prague, Czech Republic: Česká zemědělská univerzita v Praze, 2013, ISBN 978-80-213-2015-2