



News, Views & Comments from the World of Building Service Contracting

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ARGENTINA-BUENOS AIRES

Ex-Central Bankers Forecast A Fall In Consumption

According to a former central bank president, the real inflation rate in Argentina rose in 2007 to about 18 percent, compared with official data, which claims the rate was 8.5 percent. Another former central bank president forecasts consumption levels will probably fall in the second half of 2008 due to inflation. The bankers point to wage increases as one of the factors of the steep rise in inflation as several unions are demanding wage increases of as much as 30 percent to combat higher consumer prices. There has been public doubt regarding the consumer price index and inflation statistics posted by the government. However, government officials denied there had been any manipulation of the index and said inflation is being sensationalized.

AUSTRALIA-VICTORIA

Spotless Targets Programmed Maintenance Group

Spotless has made a bid to purchase the industrial painting and facility maintenance firm Programmed Maintenance Group for \$550 million. Despite Programmed Maintenance urging its shareholders to take no action, Spotless was able to acquire a 13 percent starting stake in the company. There has been a rash of takeovers in the industry as of late, many timed to take advantage of the share price weakness of specific targets. While there is little direct overlap between the two companies, they share a lot of the same clients, such as schools and Spotless aims to build upon those relationships by offering more services.

BELGIUM-BRUSSELS

Over 300,000 .EU Domains Created In 2007

Within two years of its launch, .eu is among the 10 largest Top Level Domains in the world as businesses and EU residents have secured over 2.8 million European internet identities. .EU is the fourth most popular Top Level Domain in Europe and the ninth worldwide. Almost 80% of registered names direct to a functioning website and/or email server and 80% of domain names have been renewed for a second year. Germany leads in .eu registrations per country of origin with 31.4 percent followed by the Netherlands (13.4 percent), the UK (13.3 percent), and France (7.3 percent), while Poland showed the most growth in the number of registrations.

BRAZIL - RIO DE JANEIRO

Brazil Bank Predicts Greater Inflation

According to the policy director of the Central Bank of Brazil, the annual inflation rate climbed to 4.61 percent in February from an eight-year record low of 2.96 in March 2007. Policy makers at the bank increased their inflation forecast for 2008 from 4.3 percent to 4.6 percent. As a result, there is speculation that the monetary policy board may raise interest rates in the near term to control prices. However, economists believe prices will not rise above the 4.5 percent inflation target and that the annual rate will actually fall to 4.44 percent by the end of 2008. At the same time, the national statistics agency reported unemployment was up to 8.7 percent in February from 8 percent the

month prior. This figure is still well below the 9.9 percent unemployment rate in the same period of the prior year.

CANADA-OTTAWA

Mumps On The Rise

Mumps is on the rise in Canada with 130 cases reported through March 2008 as compared with an annual total of 17 cases in 2006. The recent outbreak began in 2007 on the East Coast and has made its way across Canada to British Columbia.

FRANCE-PARIS

French Consumer Confidence At Record Low

According to a poll by Paris-based Ifop Institute, over 80 percent of French residents claimed their purchasing power declined in the last year and consumer confidence fell to a record low in February. Consumer prices climbed at the fastest rate since the statistics office began reporting the data in 1996, to 3.2 percent in January 2008 from 2.8 percent in December 2007. A recent study has shown French supermarket food prices are rising much faster than raw-material costs and the government is investigating Procter & Gamble Co., Unilever, Reckitt Benckiser Plc, Henkel KGaA and five other consumer-goods companies in an antitrust probe into possible price-fixing of household and personal cleaning products.

GERMANY-BERLIN

Seven German States Experience Mail Stoppage

3,700 postal workers on strike for job protection and shorter hours, refused to deliver mail to their routes, which affected mail in the states of Lower Saxony, Bremen, Hamburg, Schleswig-Holstein, Mecklenburg-Western Pomerania, Brandenburg and Berlin. The Verdi union wants Deutsche Post to provide job guarantees until 2011 for

the 130,000 postal employees covered by public-sector wage agreements and ten shortened workdays to offset longer hours - planned to be implemented soon - of 38.5 to 41 hours.

JAPAN-TOKYO

Cleaning Fees Can Be An Issue For Renters

When a renter leaves an apartment, the state of cleanliness of the unit can often result in legal trouble and some real-estate agents even charge extremely high cleaning fees from departing renters, which they take from rental security deposits. There have been so many troubles over the issue that the Land, Infrastructure, Transport and Tourism Ministry released a guideline in 1998, which was updated in 2004, with brief summaries of recent court cases attached. According to the guideline, renters are not responsible for such things as discoloration of tatami mats and (wood) flooring, caused by sunlight or due to defective building structure; the cost of applying wax on flooring, and blots on the wall caused by cigarette tar, if they can be removed by standard cleaning services. They are responsible for the cleaning of such things as stains and mold on carpets caused by beverages; scum and mold in bath tubs, toilets and washing stands stains on gas stoves and ventilating fans and scratches and dents on flooring left by chairs with wheels. Even with the guideline, the number of cleaning-related conflicts remains high with 15,388 cases in 2003 and 13,772 cases in fiscal 2006. According to an official in the realty section of the Tokyo Metropolitan Government, out of the 17,292 dispute cases his section fielded on rented housing from both tenants and landlords in fiscal 2006, nearly a third were about cleaning obligations.

NEW ZEALAND-WELLINGTON

Outbreak Of Rare Strain Of Salmonella In NZ

The Ministry of Health is monitoring an outbreak of a rare strain of salmonella which has infected at least 28, of which 10 were in the Nelson Marlborough district. Authorities are currently working to find what caused the outbreak but have said no food premises have been implicated and all food samples have returned negative results.

SOUTH KOREA-SEOUL

Avian Flu Returns

The government slaughtered a combined total of 240,000 chickens and ducks in 19 farms that were potentially infected by avian influenza in response to a confirmed second outbreak of H5N1 avian influenza in a south western duck farm. The ministry ordered the culling of 30,099 ducks at the farm and slaughter of another 158,500 chickens and ducks in the 12 farms that five vehicles, which transported the poultry visited. Health officials also killed another 80,000 ducks in other farms. Officials claim it will take three to four months to identify the cause of the outbreak.

TAIWAN-TAIPEI

Property Market Expected To Soar

The commercial property market in Taipei has shown signs of overheating slightly, with prices going up as a result of a supply shortage according to the Taiwan branch of CB Richard Ellis Ltd. (CBRE). Realtors are optimistic about the performance of the hotel and retail sectors and indicate they may see revenue increases of 55 to 65 percent. CBRE recently closed a deal with Citibank Taiwan Ltd. to dispose of 25 properties owned by Citibank's merged subsidiary, the Bank of Overseas Chinese. In another deal, the Taiwan branch of Jones Lang assisted in the sale of a 100 hectare plot of recreational land to strategic partners of foreign developers for an asking price of NT\$5 billion. Plans call for a 500-room hotel, a 18-hole golf course and 1,000 villas to be built on the land at an additional cost of NT\$9 billion.

THE NETHERLANDS-AMSTERDAM

Rentals Found In Urban Areas, University Towns

In almost every Dutch commuter town, there are distinctly more owner-occupied than rented houses. Rented homes are commonly found in the larger cities. In small municipalities like Rozendaal, Meerlo-Wanssum, Hunsel and Bergeijk, the share of owner-occupied dwellings exceeds 80 percent. On average, slightly more than half of the Dutch housing stock are

owner-occupied. The highest proportion of rented houses was found in Amsterdam with 80 percent, followed by Rotterdam with 72 percent. The proportion of rented houses is even higher in areas around universities.

UK-LONDON

New Management For Rentokil

Rentokil Initial Plc, the largest pest-control company in the world, fired Chief Executive Officer Doug Flynn and Chairman Brian McGowan, and the takeover by ICI executives, who orchestrated the sale of the company for \$16 billion to Akzo Nobel NV, has spurred speculation that Rentokil will be broken up. Possible disposals are the facilities services division, which includes window-cleaning operations, tropical plants and parcels, although officials claim it is not their intent to rush in and break the company apart.

UK-LONDON

CSSA Warns Of NHS Leadership Vacuum

Today, the Government's £57 million hospital deep clean is due to come to an end. While most of the NHS Trusts will meet this deadline for the completion of the cleaning programs, some will not. However the major concern in the cleaning industry now is about what will happen after the deep cleans are over. Speaking following a CSSA review of the hospital deep cleans, Andrew Large – Director General of the CSSA said: "The extra investment in hospital cleaning has generally made a noticeable improvement to standards of cleanliness, which strongly suggests that if more funds and time were available on a permanent basis, higher standards would be maintained. Without such a long term plan from the Government the deep clean risks being seen as a publicity stunt. "Our major concern now is that there is a leadership vacuum in the NHS on cleaning issues. There are too many different NHS bodies with overlapping responsibilities, and this coupled with the autonomy enjoyed by individual NHS Trusts makes it too easy for responsibility for funding and managing cleaning to be fudged. I call on the Government to ensure that the benefits of the deep cleans are not lost, both by granting new long term ring fenced funding for cleaning across the NHS and by giving clear

leadership to all NHS Trusts to ensure that cleaning is properly funded and managed.”

UK-LONDON

Cleanliness Summit Report

The long awaited cleanliness summit took place on 28th February 2008. The Summit was chaired by David Nicholson, Chief Executive of the NHS in England, and Anne Keen MP, the Minister with responsibility for hospital cleaning attended, along with many representatives of the different organizations involved in hospital cleaning. That the CSSA was invited to the summit shows our growing profile on this key issue. The summit aimed to kick start the improvement of hospital cleaning and achieved its aim at least in part. However, there are challenges that need to be overcome. The first concerns the lack of leadership on cleaning issues within the NHS. Each Trust and its Board is autonomous, and the concern expressed at the summit was that this autonomy militates against improvements in cleaning being driven from the center. The second, linked to the first, is the lack of resources for cleaning. Unless the deep cleans are backed up by a greater investment in daily cleaning, then the undoubted benefits of the deep clean will be a flash in the pan. Perhaps the best outcome of the summit was the establishment of a permanent forum on NHS cleaning. This will enable CSSA members to have a lasting influence on this key policy area. The CSSA has been invited to the first of the follow up meetings from the summit.

Quality Lunch:

The CSSA held the second in its series of Network Lunches on the 28th of February. The guest speaker this time was Joe Goasdoue, the Chief Executive of the British Quality Foundation (BQF). The BQF is a not for profit organization that champions higher quality standards in UK businesses. His message to cleaning contractors was that it is no longer enough just to meet customer requirements. Excellent companies have outstanding management practice and achieve outstanding results. The new game in town for successful companies is clients that are prepared to act as their advocates. He added that the best companies have advantages that are hard to copy, otherwise all that is left is price – not a strong position to be in. Joe’s message comes at a time when the CSSA and BQF have launched their joint Level of Excellence program for the cleaning sector.

US-CONNECTICUT

Borrowers Beware Of Cyber Scams

The National Better Business Bureau (BBB) released a warning of a scam preying on entrepreneurs who are turning to online networks to obtain loans. There has been an increase in the so called advanced-fee-loan scam where scammers offer entrepreneurs loans at supposedly great rates, no matter what the small business owner’s credit rating is. The catch is the scammer asks for an upfront fee to secure the loan. When the owner pays the fee, the loan never materializes. The Better Business Bureau says typically the complaints they see are from consumers who get scammed by fly-by-night advance-fee-loan firms, but recently there has been a steep increase in commercial complaints.

US-OHIO

Cities Paying To Maintain Vacant Properties

Almost 1 million U.S. homes were seized in 2007 and the Federal Deposit Insurance Corporation, reported U.S. banks owned \$12.1 billion worth of them. With banks such as Deutsch, HSBC and JP Morgan Chase abandoning properties at a record rate, cities are left holding the bag to keep the vacant buildings maintained. Cleveland spent \$10 million in 2007 and according to the National Taxpayers Union in Alexandria, VA, The public will pay as much as \$50 billion in 2008 to maintain foreclosed properties abandoned by lenders and investors. The US Congress is considering various bills to help towns and cities cover some of the costs.

UPCOMING EVENTS

17th Congress of the World Federation of Building Service Contractors

Buenos Aires, Argentina
October 26-29, 2008

Visit www.wfbsc2008.com.ar
for more information.

18th Congress of the World Federation of Building Service Contractors

New Zealand - 2010



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