

Perspective

World Contracting News, Views & Comments

Submit your news for publication to Denise Anderson at danderson@bscai.org

THE WORLD

Migrants Bring Benefits

A recent report by The International Organization for Migration found that rather than taking jobs from local workers, migrants tend to fill spaces at opposite ends of the labor market - working both in low-skilled, high-risk jobs and highly skilled, well-paid employment. In addition, these workers contribute to the tax base of their host countries as well as to the economies of their home countries. For example, a British report showed that, between 1999 and 2000, migrants in the UK contributed \$4 billion (£2.1 billion) more in taxes than they received in benefits. The IOM notes that although the number of migrants has increased from 82 million in 1970 to 192 million at present, they only represent 2.9 percent of the world's population. Almost half of migrants are women. The most popular destination countries for migrants include the US - which alone is home to more than 20 percent of the world's migrants - and Russia, with almost 8 percent.

AUSTRALIA-SYDNEY

Cleaning Conference To Be Held In November

Responding to industry demands, an Australasian cleaning industry conference, CLEAN TALK, will be held the 3rd and 4th of November in Sydney, Australia. Themed 'Enhancing Operational Efficiencies', this event will be focused on operational issues and will be a 'must attend' for Australian and New Zealand contractor, institutional and supplier/distributor executives. CLEAN TALK, to be held at Sydney's Rydges

Parramatta, is organized and hosted by INCLEAN magazine and HandL, management company for the Australian Cleaning Contractors Association (ACCA). It will also involve a number of other industry bodies in its quest to be a truly all-encompassing conference. CLEAN TALK'S session subjects will include Contracting issues and trends; Healthcare; Hospitality; The Young Guns; and International Trends. Discussion topics will include Marketing; Tendering; Presentation and Management; Advances in Cleaning Methods and Processes; Sub-contracting and Franchising; and Strategies for dealing with Public Health threats. The conference program will be complemented with a products and services showcase; social networking; industry dinner and tech workshops. More information, www.incleanmag.com.au/cleantalk/ or contact Alan Hardcastle, INCLEAN magazine, on +61 (0) 2 4267 3566, fax +61 (0) 2 4268 1469 or email contact@incleanmag.com.au.

AUSTRALIA-WESTERN

First Nationally Accredited Carpet Cleaners

B SCAAWA Member Tri Training Services, recently held the first ever nationally accredited training for Carpet Cleaners in Australia. Many of the Carpet Cleaners who registered had been in the industry for many years and wanted to have their skills formally recognized. Recognition of Prior Learning (RPL) was offered to these BSCAAWA members, who were then required to provide evidence of prior knowledge. To align the evidence with the training package, each applicant was interviewed, required to answer a questionnaire and perform





all tasks, set out in Certificates Asset Maintenance – Carpet Cleaning PRM20604 & PRM 30604 to a very high standard. A very pleasing part of the evaluation was the mutual respect and support shown towards one another during the assessment process – which some found very challenging. For those who passed they can now legally call themselves a “Carpet Cleaning Technician”. A special mention must be made of BSCAAWA Members Franco Preo and Paul Thrans who were involved in the drawing up of the national qualifications through the National Carpet Cleaning Competency Standards and Qualification Group chaired by David Magee from PTSA. Since the formation of the Carpet Cleaners Division within BSCAAWA/MCGWA, some years ago, the goal of the group and, in particular, these two individuals, has been to have nationally accredited qualifications available. This growth in carpet cleaners professionalism is highlighted in the Department of Consumer Protection brochure “Consumers’ Guide to Carpet Cleaning” – which tells consumers to look for nationally qualified operators.

BELGIUM-BRUSSELS

USA Largest Trade/Investment Partner Of EU25

Taking goods and services together, the EU25 and the USA are each other’s main trading partners, and account for the largest bilateral trade relationship in the world. The EU25 and the USA are also each other’s most important source for foreign direct investment (FDI). The huge amount of bilateral trade and investment illustrates the high degree of interdependence of the two economies. Eurostat, the Statistical Office of the European Communities, issued the following data on trade and investment between the USA and the EU25. In 2004, the EU25 exported around 235 billion euro of goods to the USA, while imports amounted to 160 billion. The most notable feature of EU-US trade over recent years has been the continued growth in the EU25 surplus, from just over 20 billion in 1999 to more than 75 billion in 2004. This increase in the surplus is in particular due to a decrease in the level of imports from the USA, which have fallen by a quarter from their peak of 205 billion in 2000. Around 45% of EU25 exports to the USA, and half of EU25 imports from the USA, were “machinery and vehicles”. Among the EU25 Member States, Germany was the

largest exporter to the USA in 2004, with 65 billion, or 28% of the total, followed by the United Kingdom (40 billion or 17%). The United Kingdom (35 billion or 22%) and Germany (32 billion or 20%) were also the largest importers. Most Member States recorded a surplus in trade with the USA in 2004. The largest surpluses were registered by Germany (+33 billion), Italy (+12 billion) and Ireland (+10 billion), and the largest deficit by the Netherlands³ (-8 billion).

BELGIUM-BRUSSELS

Euro-zone Labor Costs Up In First Quarter 2005

Total hourly labor costs in the whole economy of the euro-zone grew by 3.1% in nominal terms in the first quarter of 2005 compared to the first quarter of 2004, reports Eurostat, the Statistical Office of the European Communities. In the fourth quarter of 2004 the increase was 2.5%. In the EU25 the annual rise was 3.4% in the first quarter of 2005, compared to 2.9% in the previous quarter. Among the Member States for which data are available in the first quarter of 2005, the smallest annual rises were recorded in Germany (1.2%), Luxembourg and Portugal (both 1.9%) and Austria (2.5%). The largest increases were observed in Latvia (16.3%), Lithuania (12.2%), Slovenia (11.5%) and Estonia (9.6%). In industry, hourly labor costs rose by 3.5% in the euro-zone and by 3.6% in the EU25. Among the Member States for which data are available, annual changes ranged between +1.3% in Portugal and +13.8% in Latvia.

CANADA-VANCOUVER

Waste & Recycling Expo Set For October

The eighth annual Canadian Waste & Recycling Expo, held in conjunction with the Canadian Public Works Expo, will take place October 26 - 27, 2005 at the Vancouver Exhibition & Convention Center in Vancouver, British Columbia. The event will focus on the collection, hauling, processing and disposal of waste, materials recycling and municipal recycling programs. A series of profession seminars sponsored by leading industry associations and publications will be offered in conjunction with the event. These will cover a wide spectrum of new technologies, industry trends and latest market developments.

Seminars include hot topics such as "The History of Extended Producer Responsibility", "Classification of Wastes – TDG Versus The BC Hazardous Waste Revolution", "Biosolids Management", "Extended Producer Responsibility", and "Waste & Recycling: Injuries, Costs, Options". The 2004 edition of the co-located events attracted a total of 4,129 attendees from 22 countries interested in exploring the latest products and services of 211 exhibitors representing 359 companies and product lines. Some 80 first-time exhibitors are expected to take part in the 2005 edition of Canada's industry-leading show.

FRANCE-PARIS

Firms Now Have WorkWeek Flexibility

The 35-hour workweek was originally created in 1998 to help reduce unemployment. However with unemployment remaining at 10 percent and claims of increasing competition from countries that have greater than 35-hour workweeks, the French government has voted to allow private firms to offer up to 13 hours of overtime, thereby increasing working hours. Workers will also have the ability to apply the hours towards wage increases or pension contributions. Public sector workers and many private sector workers will still keep the 35-hour week.

GERMANY-BERLIN

US And European Alliance Formed

INPACS, an organization of independent wholesaler groups serving the European market and Network Services Company, an \$8.2 billion organization of independent distributors serving North America, have formed a strategic alliance. INPACS, headquartered in Berlin, Germany, consists of five independent wholesaler groups with 150 locations in 16 European countries, providing a variety of janitorial cleaning supplies, equipment, and disposable paper and plastic products to away from home markets. Sales of these products in 2004 exceeded \$1.5 billion (US). Network Services Company, of Mt. Prospect, Illinois, is composed of 74 wholesale distributors selling a wide range of disposable paper and plastic products, packaging, and janitorial supplies primarily for healthcare, industrial, building service contractor, and

foodservice markets. Network has more than 400 distribution locations in North America.

JAPAN-TOKYO

Murdered Janitors Found After Dormitory Blast

Tokyo police are claiming that two janitors, a husband and wife, were murdered at the corporate dormitory they worked in. Both bodies had stab wounds and trauma to the skull. The pair was discovered after an explosion occurred in the three-story building owned by Sato Kogyo Company and another firm. No one else was hurt in the explosion, which appears to have been deliberately set.

MALAYSIA-KUALA LUMPUR

Doctor Attempts To Educate On Cleanliness

Dr. Mohd Nizar Zakaria (Dr Nizar) is so concerned about the country's standards of cleanliness, he set up the Centre for Cleaning Science and Technology (CCST), two years ago. After personally surveying the way cleaning operators worked, using the same mop to clean a toilet and a surau; the same rag to clean the bathroom and to wipe tables in eateries; and the same pail of filthy water to mop corridor after corridor, Dr. Nizar concluded cleaners simply performed for appearance and not for actual cleanliness and sanitation. He found there are no guidelines for quality and anybody can bid for a job. There is a lack of training and professionalism and there are no cleaning standards. As a result, he set up the center, the first facility of its kind in the country, which is located in Bandar Damansara Perdana, Kuala Lumpur. The center conducts training programs for the cleaning service industry, as well as local councils, building owners, and property managers.

NEW ZEALAND-AUCKLAND

Council Votes To Spend More On Graffiti

The North Shore City Council voted to increase spending by a \$70,000 boost for graffiti clean up and other related crime projects. The council currently spends \$700,000 a year to protect property, which includes graffiti clean up.

SOUTH KOREA-SEOUL

Government Makes Effort To Spur Economy

In an effort to boost the lagging economy, the Ministry of Finance and the Economy is planning to lift some red tape in order to increase investment and domestic demand. The government is planning to, among other things, ease restrictions such as allowing factory buildings in South Korea's free economic zones, offer tax breaks and financing, as well as increasing the budget. The government, which is operating with a 5.1 trillion won budget deficit, is encouraging state and government run organizations to undertake major projects and investments in order to help. Despite this, consumer pessimism has persisted and investment growth has risen and fallen over the first half of the year from 16.5 percent growth in January to negative growth in February. In addition, experts predict GDP growth will only be 4 percent for the year. However there are signs that the economy is starting to improve. Exports are predicted to rise to an average growth rate of 10 percent and unemployment rates have fallen for a third straight month, buoyed by construction sector growth.

SWEDEN-STOCKHOLM

Central Bank Cuts Interest Rate

Sweden's central bank cut the benchmark interest rate to 1.5 percent in response to a slow down in growth in Sweden and the 12 Euro nations. The bank also revised the economic growth forecast for the country from 3.2 percent to 1.9 percent. The rate, which is below the European Central Bank's key borrowing cost of 2 percent, is now the lowest benchmark rate in the EU 25.

TAIWAN-TAIPEI

Service Sector Shows Strong Growth

Although a global survey by Manpower Services indicated that Taiwan ranked fourth among 23 nations in its hiring outlook for the third quarter, trailing India, Canada and the US, employment has fallen to 24 percent as compared to the 3rd quarter's 35 percent. The report showed that 29 percent of the

1,536 Taiwanese companies polled will increase employment offers, 5 percent expect a decrease in hiring and 38 percent forecast no change. Experts claim that a new labor pension system, starting July 1st that requires employers to set aside 6 percent of an employee's salary per month in an individual pension account for that employee, could represent some of the reason for the decline. According to the survey, the service sector, which consists of 54 percent of the labor force and which represents over 50 percent of Taiwan's GDP for the past ten years, had the most positive outlook for growth with 28 percent. As plans to open the borders to Chinese tourists progress, government officials anticipate that service sector growth will be even stronger in the near future.

THE NETHERLANDS-AMSTERDAM

Work Rules Relax

The Working Hours Act required that a workweek could not last longer than 45 hours and could only occur in five-day periods. Also, over a period of 13 weeks, hours could not average over 40. Any exceptions to this had to be agreed to by trade union representatives. The Dutch government and industry representatives recently came to an agreement where the requirements will be relaxed. While Sunday will still be a day of rest, employers can now make special work hour arrangements with individual employees directly and are no longer confined to the time period restrictions set forth previously.

UK-LONDON

Firm To Be First To Use Hi-Tech Identity Cards

Workers at Birkin Cleaning Services, whose clients include the Ministry of Defense, and MailSource UK, whose clients include Barclays, Shell, Deutsche Bank, the BBC and Channel 4, will be among the first to receive hi-tech identity cards. The cards, containing details of credit history, criminal records and immigration status, which can also hold unique identifiers such as fingerprints, are being introduced to combat identity theft and illegal working. They are linked to a database containing personal details gathered during a vetting process and held by a private investigation firm. Most of the cards are being issued to foreign nationals, who work as contract cleaners, restaurant and mailroom staff.

UK-LONDON

Rents In Central London Projected To Rise

CB Richard Ellis claims that business rents in central London are likely to rise in the next two years, as there will be a limited amount of office space available due to the lack of new office space being built. Next year, office completions will stand at just more than 2 million square feet against a 10-year rolling average of new office space take-up of 5 million sq ft. The central London office market was hit hard in the stock market crash, when many banks and other financial groups were left with surplus space they no longer needed. As a result, developers have become cautious and most are holding off on implementing new projects. Analysts for the real estate firm note that vacancy rates in central London, the West End and midtown markets are already below 7 percent. However, the City will not see such a rapid recovery, as vacancy levels are still at about 13 per cent - one in seven buildings there.

US-NEW YORK

Even Celebrities Can Be Ripped Off

Several celebrities have alleged that a maid who cleaned their homes was stealing from them. Lucyna Turyk-Wawrynowicz, who immigrated from Poland, had no criminal background and was working in the country legally, was arrested and accused of stealing items such as diamond earrings worth \$95,000, a suede jacket worth over \$1,000, and charging several expensive items to one client's credit card. Affected celebrities are Candice Bergen, Isabella Rossellini, Robert De Niro and his wife, Grace Hightower, although authorities would not confirm who the victims are.

US-NEW YORK

Big Corporations Hoarding Cash

Several analysts and economists are watching a trend where major corporations are sitting on large piles of cash - with hardly any financial return - rather than investing. A report from Standard & Poor's showed that as of the end of May, the 376 non-financial companies in its 500 index had a

record \$630.4 billion in cash and cash equivalents appearing on their balance sheets. Experts speculate that companies are hoarding cash in order to stave off concerns over a burst in the economy, global market instability and fears of regulatory reprisals. Others anticipate that with more cash on hand, companies might be more likely to increase dividends, capital expenditures, hiring, stock repurchase programs and merger and acquisition activity.

US-VIRGINIA

Fingerprinting A Popular Tool For Checks

Many locales are now requiring that fingerprints be part of background checks upon the hiring of workers for various fields. This has turned fingerprinting into a big business with many companies now offering fingerprint capture technology. Once the data is collected, the prints are sent to state authorities, who then send them to the FBI fingerprint center in Clarksburg, Virginia, which contains the only federal database of fingerprints and has 44 million digitized sets of fingerprints on file. In 2004, the FBI performed nine million checks for private employers, up from 3.5 million in 1992. Half of all FBI fingerprint checks today are employment-related. The agency processes an average of 60,000 fingerprints a day, and charges \$22 per check. Usually turnaround is 24 hours. Critics cite concerns such as database imperfections, fraud potential and privacy infringement, especially now that private industry is involved.

UPCOMING EVENTS

BSCAI Annual Convention and Trade Show

Nashville, Tennessee
March 24-28, 2006

Visit the BSCAI website at www.bscai.org for more information or call 703-359-7090.

16th Congress of the World Federation of Building Service Contractors

Seoul, Korea
October 16-19, 2006

Visit the WFBC website at www.wfbc.org and the website at www.kasmo.or.kr for more information.



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