

Perspective

World Contracting News, Views & Comments

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

THE WORLD

Creditworthiness Rating Up

Institutional Investor Magazine's March 2006 Country Credit Ratings reflects a global trend of growth, and economic expansion, despite high oil prices. Coupled with strong performance, sound policies have raised the average rating of the 173 companies rated to 45.1 on a scale of zero to 100, up a full point from September 2005, with many regions experiencing the highest ratings ever. Following is a breakdown of WFBSC member countries and their credit ratings:

Rank		Country	Rating
9/05	3/06		
4	4	UK	94.1
8	7	Sweden	93.6
9	8	US	93.5
7	9	The Netherlands	93.5
11	10	Canada	93.2
10	11	France	93.1
13	13	Germany	92.8
15	15	Belgium	90.5
18	18	Australia	85.9
19	19	Japan	85.3
21	20	Italy	84.6
20	21	New Zealand	84.1
22	23	Portugal	83.2
24	24	Taiwan	79.1
28	28	South Korea	76.7
58	58	India	57.1
66	64	Brazil	52.1
115	91	Argentina	34.6

ARGENTINA-BUENOS AIRES

Consumer Confidence Up 10.5 Percent In May

According to Torcuato Di Tella University, consumer confidence in the economy was up 10.5 percent over April. The consumer confidence index in the first five months of 2006 is 3.3 percent higher than in the like period in 2005.

AUSTRALIA-PERTH

DoE Tackles Illegal Dumping

A Joondalup man has been issued a fine for illegally dumping rubbish in a church car park and on school grounds. The Department of Environment issued the man with two \$200 infringements after tracing the dumped materials back to him. DoE Environmental Enforcement Unit Acting Director Stuart Cowie said tracking down illegal dumpers was a priority for the Department and demonstrates the tough new stance the agency is employing against illegal dumping and littering in Western Australia. Under proposed changes to current legislation, individuals would face fines up to \$10,000 for illegal dumping and corporations would forfeit \$20,000.

BELGIUM-BRUSSELS

Spring Forecasts Show Growth Rebounding

Economic growth is projected to rebound in 2006 to 2.3% in the European Union and to 2.1% in the euro area, up from 1.6% and 1.3% in 2005, according to the European Commission's spring

economic forecasts. Business investment will drive growth as confidence and profit projections are up. Other factors are continued strong world growth and an improved outlook in Germany. Growth is expected to edge slightly lower in 2007 to 2.2% in the EU and 1.8% in the euro area. The EU as a whole is expected to create 3 million new jobs over the period 2006-07. This will help reduce unemployment from a peak of more than 9% in 2004 to an expected 8.2% in 2007. Inflation remains remarkably stable at slightly above 2% despite soaring oil prices, which remain the main risk to economic growth.

BRAZIL-SAO PAULO

Incentives Put In Place To Jump-Start Economy

The Lula Administration has put a number of measures in place to get the economy moving. First it cut taxes for 41 industrial products used in construction and created a funding package to encourage home ownership. The 15 percent capital-gains tax and a 0.38 percent financial transaction tax for foreign investors were eliminated. Foreign investment rose to 35 percent from an average of 27-28 percent of all trades in 2005. The Central Bank is predicted to cut the overnight Selic interest rate from 17.25 percent, one of the highest in the world, to 14 or 15 percent by year end. And the minimum salary has been increased from BRL300 to BRL350, which is expected to add BRL8-9 billion to the economy.

CANADA-ONTARIO

Canada Ranks Third In Lost Working Days

A recent report from the U.K.'s Office for National Statistics has ranked the countries in the OECD based upon the number of working days lost to labor disputes. In 2004, Iceland, which lost 1,052, or just over one working day per person, had the highest number of days lost. Spain was second at 306 and Canada was third with 226 working days per 1,000 employees. The OECD average was 39 days.

CANADA-QUEBEC

Popular Janitor Is Murdered On The Job

Fernand Champoux applied and was hired for a temporary part-time job as a janitor at a retail store so he could earn a little extra spending money. The 68 year old retired postal employee had been on

the job three weeks when he was murdered. His badly beaten body was found in the parking lot behind the store by a co-worker. Police are investigating the homicide of the very popular and friendly gentleman.

FRANCE-PARIS

Securifrance Will Double With Acquisition

Securifrance, the French surveillance specialist, is acquiring Initial Security, a division of the UK's Rentokil Initial, reported to be Belgium's third-largest security company. The transaction will add 1,500 employees to bring the total to 5,500. Initial Security had turnover of 80m euros, of which 65m euros came from surveillance, telesurveillance and mobile security, 10m euros from electronic security and 6m euros from transport services. Securifrance, which in 2005 had revenues rise to 101million euros and operating profit rise from 1.2million euros to 2.1 million euros, currently largely supplies security guards and training, but plans to develop other areas such as mobile security. The combined company hopes to see revenues in the range of 200 million euros in the next year.

INDIA-MUMBAI

Retail Sector Booming

A report published in 2006 by McKinsey predicts India's offshore IT and business process outsourcing (BPO) industries will grow at an annual rate greater than 25 percent, and generate export revenues of about £33 billion by 2010. As a result, the country's economy is booming and driving growth in the retail sector. Up to 600 shopping malls are either under construction or planned for the next four years. Four years ago, there were only three malls in the country of 1.3 billion people and currently, that number has increased to 35. In India the retail market, worth approximately \$250 billion, is the eighth largest in the world and 95 percent of the country's retail sales are made through 12 million small shops. The market for consumer goods is expected to reach \$400 billion by 2010 and organized retail only accounts for 3.5 percent of the current market. However, there are some analysts who fear not all of the 600 proposed malls will get built or fully leased, especially if the government does not allow foreign direct investment. There is a major push both inside and outside the country to allow foreign direct investment and the government is easing up on its restrictions. Global retail firms such as Wal-Mart, Tesco

and Ikea have all expressed interest in entering the Indian market.

GERMANY-FRANKFURT

Despite Declines, German Market Should Perform Well

In a sample of fourteen of the largest cities in the EU-15 area, conducted by CB Richard Ellis, take-up reached a record figure of 2.3 million sq meters, a 34% increase on Q1 2005. The office market grew stronger in Q1 2006 marking a five-year high and was off to a very promising start with strong rental activity and demand in the business services sector. In addition, unlike in previous quarters, net absorption has improved in Q1 2006. However, while demand for office space and decreasing vacancy rates resulted in solid gains for the London, Paris, Vienna and Madrid markets, German markets, namely Berlin, Frankfurt and Hamburg, experienced a decline in growth compared to Q1 2005. Frankfurt, in particular, is still suffering from oversupply and occupier demand remains fundamentally weak, therefore movement in the headline rental level is unlikely in the short term. Yet, despite the short-term growth decline, international investors are turning to the German market to take advantage of the availability of prime office space vacancies. Overall, CB Richard Ellis predicts the European market will perform well this year as demand continues to increase and supplies tighten.

NEW ZEALAND-WELLINGTON

Economy Slows But Labor Is Tight

A recent IMF country report notes New Zealand's economy has slowed after a period of strong growth, and although the current account deficit widened in 2005, the economy has started to rebalance. While growth is expected to be sluggish in 2006, an export-led recovery is expected in 2007, with the current account deficit narrowing over the medium term. While underlying inflation is no longer increasing, demand for labor remains high. Wages increased by 5^{1/2} percent year over year in 2005 compared to 4^{3/4} percent in 2004 (measured by the unadjusted Labor Cost Index), suggesting that the labor market remains relatively tight. Inflation expectations have risen according to survey data, although expectations for two or more years remain within the target.

PHILIPPINES-MANILA

Outsourcing Creating Real Estate Demand

Outsourcing to the Philippines has become a popular trend with more than 70,000 employed in about 120 call centers and other outsourcing operations in 2005 up from 2,000 five years ago. And CB Richard Ellis, an international property firm, estimates the number will triple to over 200,000 in four years. Recently, Dell, the world's biggest computer maker, opened a 700-seat call center in Manila and plans to double staff. The result is a lack of suitable office space and increased lease rates, estimated to go up by at least 12 percent this year. Vacancy rates for prime office space in Makati fell from 4.9 percent in the fourth quarter of 2005 to only 4.3 percent in the first quarter of 2006.

SOUTH KOREA-SEOUL

KASM Meets Chinese Shenyang Partners For Seoul Congress

A KASM delegation comprised of Yoo Ki Kim/President, Ki Ho Choi/Vice-President, and Glynn Cho/Secretary General, visited Shenyang and met with Shenyang partners on April 2nd - 4th for the promotion of WFBSC 2006 Seoul Congress. The meeting was very successful.



The KASM delegation takes in the sights in Shenyang



The Shenyang meeting was very successful

For more information on the Seoul Congress being held this October 16-19, 2006, go to the association's website at www.wfbsc.org or www.wfbsc2006.org.

SWEDEN-STOCKHOLM

Growth Projections Revised

The Swedish Ministry of Finance has revised its projections of growth for the economy upwards, with an expected growth rate of 3.6 percent in 2006 and 3.0 percent in 2007. Employment is expected to increase by about 80,000 in 2006 and approximately 40,000 in 2007, with the private sector accounting for around 65 percent of new jobs. Unemployment is expected to fall to approximately 4.5 percent at the end of 2006, meeting set targets. Several initiatives have been proposed including allowing bonus jobs up to retirement at age 65 for 60-year-olds, a change from previous bonus jobs that only offered a maximum of 2 years, wage subsidies for workers with disabilities, abolishing the co-financing requirement for employers offering work experience places as a trial until the end of 2007, employment training targeting occupations facing a labor shortage and offering those aged 20-24, money for travel expenses associated with employment interviews.

TAIWAN-TAIPEI

Best Performing Market In Asia?

Swiss brokerage, UBS Securities Ltd.'s Taiwan branch has revised its projection of the benchmark TAIEX a second time stating it expected it to reach 8,700 points in 2006. UBS bases its projections on a stable political environment and improving relations with China as well as a strong local economy and a healthy earnings outlook, with forecasted earnings growth of 21 percent for the market in both 2006 and 2007. Some analysts claim Taiwan will have the best performing market in Asia, especially if Taiwan and China can reach a political settlement.

THE NETHERLANDS-AMSTERDAM

Economy Grows 2.9 Percent

According to Statistics Netherlands, the Dutch economy saw robust growth in the first quarter of 2006. The gross domestic product (GDP) was up by 2.9 percent on the year before. It is the highest growth rate in over five years. Employment is also increasing more rapidly. In the first quarter of 2006 there were 85 thousand more employees than the year before (1.2 percent). The main cause of this difference in growth rate is the very strong increase in the number of temp jobs. Investments in machinery, buildings and commercial

vehicles were also up by 3.4 percent on the same quarter of 2005.

UK-BIRMINGHAM

Wages Up For Barclays' Cleaners

A new deal, which applies to 2,400 contract cleaners at the 2,000 strong Barclays branch network will increase wages to on a minimum £5.55 an hour, rising to £6.05, plus a 15p quality and attendance bonus after six months' service. The workers will also be eligible for new sick pay, pension and holiday packages. The Transport and General Workers Union said the outcome would put pressure on other banks to follow suit.

US-TEXAS

Cleaning Executives Sentenced To Prison

A surprise airport security sweep in 2002 led to the arrests of nearly 65 illegal immigrants and several executives from various companies that were contracted to clean at the Dallas-Fort Worth International airport. The president of Midwest Airport Services Inc., was sentenced to nine months and fined \$5,000 and the company's former operations manager was sentenced to 15 months and fined \$1,000, according to the U.S. Attorney's Office. Previously, an office manager pleaded guilty, was fined \$2,000 and was sentenced to eight-months in prison. In addition, Midwest and Service Performance Corp., which had common ownership at the time of the raid, were fined \$150,000 and \$600,000 respectively.

UPCOMING EVENTS

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.wfbc2006.org for more information.

BSCAI Annual Convention and Trade Show

Chicago, IL

April 13-17, 2007

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



ALL BUILDING SERVICE CONTRACTING COMPANIES THAT ARE MEMBERS OF ONE OF THE ASSOCIATIONS THAT IS A WFBC MEMBER, ARE AUTOMATICALLY A MEMBER OF THE WFBC.

WFBC CORPORATE MEMBERS

3M Canada - London, ON
800-265-1840 www.mmm.ca

Atlas Graham - Winnipeg, MT
204-775-4451 www.ag.ca

Avmor, Ltd. - Laval, QC
450-629-8074
www.avmor.com

Bay West Paper Corp. -
Harrodsburg, KY
800-223-0001
www.baywestpaper.com

Cascades Tissue Group -
Candiac, QC
450-444-6457
www.cascades.com

Choisy Laboratories Ltd. -
Louiseville, QC
819-228-5564
www.choisy.com

ConverPro, Inc. -
St.-Cesaire, QC
450-469-5588
www.converpro.com

Crypton Care -
West Bloomfield, MI
248-432-5707
www.cryptoncare.com

Daniels Associates-Phoenix, AZ
602-992-5192
www.danielsww.com

Dustbane - Ottawa, ON
613-745-6861
www.dustbane.ca

Ecolab - St. Paul, MN
651-293-2233
www.ecolab.com

Express Time - Petal, MS
601-583-8101
www.expresstime.net

Grasshopper - Moundridge, KS
620-345-8621
www.grasshoppermower.com

Husky Floor Machines -
Montreal, QC
514-526-4401

www.huskyces.com

Intersoft Software Solutions-
Amsterdam, The Netherlands
+31 20 5811977
www.intersoftsoftware.com

Johnson Diversey -
Sturtevant, WI
262-631-4001
www.johnsondiversey.com

Karcher Canada, Inc. -
Mississauga, ON
888-705-9444
www.karcher.ca

Marino Manufacturing -
Concord, ON
800-265-6267
www.marinomop.com

Mercury Floor Machines -
Englewood, NJ
888-568-4606 www.mercuryfloormachines.com

Nilfisk-Advance Canada Co. -
Mississauga, ON
905-712-3260
www.nilfisk-advance.com

NSS Enterprises -Toledo, OH
800-677-1663 www.nss.com

Parall, Ltd. - Laval, QC
450-687-6666

Pioneer Eclipse -Sparta, NC
800-367-3550
www.pioneer-eclipse.com

Tennant - Minneapolis, MN
773-230-3428
www.tennantco.com

Services Magazine-Fairfax, VA
703-359-7090 www.bscai.org

TruVox-UK
44 (0) 23 8070 2200
www.truvox.com

Wood Wyant, Inc.-Laval, QC
450-680-9731
www.woodwyant.ca

WFBC MEMBER ASSOCIATIONS

Algemene Belgische
Schoomaakunie-Union
Generale Belge du Nettoyage
Brussels, Belgium
Hilde Engels-ABSU.UGBN@skynet.be

Fise
Roma, Italy
Francesco Tiriolo

Association de Empresas de Limpieza
Buenos Aires, Argentina
Norberto Peluso-correo@limpiolux.com.ar

Associacao de Empress de Prestacao de Servicos de Limpeza
E Activades Similares
Lisboa, Portugal
Jose De Moura-aepsilas@mail.telepac.pt

Building Service Contractors Association of Australia
Crows Nest, NSW, Australia
Rick MacKenzie-rmackenzie@bscaa.asn.au

Quebec Building Service Contractors Association, Inc.
Montreal, Quebec, Canada
Roger Gauthier-fortier.gauthier@sympatico.ca

Building Service Contractors Association International
Fairfax, Virginia, USA
Carol Dean-cdean@bscai.org

Association of Housekeeping Agencies
Nocia, U.P., India
Anil Sethi-anirupa@del2.vsnl.net.in

Building Service Contractors of New Zealand, Inc.
Auckland, New Zealand
Marja Verkerk-info@bsc.org.nz

Bundesinnungsverband des Gebaeudereiniger-Handwerks
Bonn, Germany
Johannes Bungart RA-biv@gebaeudereiniger.de

Cleaning and Support Services Association
London, United Kingdom
Martyn Vesey-mvesey@cleaningassoc.org

Febrac
Brasilia, Distrito Federal, Brazil
Silvio Gaspar-silviojgaspar@upsbeneficios.com.br

Building Managers Association of the Republic of China
Taipei, Taiwan
Kenneth Kao-pacifico@ms37.binet.net

Federation des Entreprises de Proprete
Paris, France
Carol Sintes-csintes@federation-proprete.com

Japan Building Maintenance Association
Tokyo, Japan
Keizo Kozen-kozen@j-bma.or.jp

Korean Association of Sanitary Maintenance
Seoul, Korea
Young Hoi,Um-kasm@kasm.or.kr

OSB
Hertogenbosch, The Netherlands
info@osb.nl

Sveriges Stadentrepenores Forbund
Stockholm, Sweden
Lars Friberg-ivy.bermanson@almega.se