



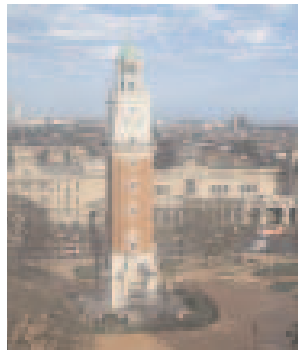
News, Views & Comments from the World of Building Service Contracting

Submit your news for publication to Carol Dean at cdean@wfbsc.org

ARGENTINA-BUENOS AIRES

Another Successful World Congress

The 17th Congress of the World Federation held in October in Buenos Aires was a wonderful event filled with camaraderie, networking and industry information and services. On Sunday, October 26, President Norberto Peluso welcomed all of the delegates, guests and exhibitors to his beautiful city and country during the Opening Ceremony, which was followed by the Exhibition Official Opening. The night closed with a traditional “criollo” cocktail where old and new friends mingled and enjoyed the hors d’oeuvres and cocktails. On Monday, October 27, Ed Lonergan, CEO of JohnsonDiversey, spoke on Sustainability, which was the theme of the Congress. More notes from his excellent speech appear under the Associate Member News section of this issue of International Dimensions.



Buenos Aires View



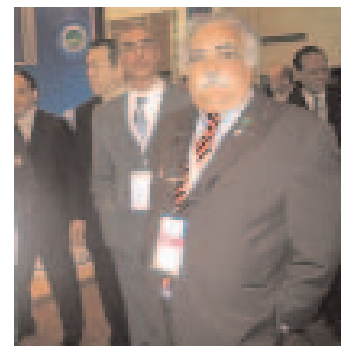
Opening Ceremony

Jorge Alvarez, President of the Argentine Union of Service Organizations spoke on the problems of companies of intensive labor force. In the afternoon a panel moderated by Andrew Large of CSSA and consisting of Cecilia Peluso of Limpiolux S.A., George Lohnes of UGL Unico and David Openshaw of ISS UK addressed how suc-

cessful BSCs are driving business through sustainability. Mr. Large spoke about two challenges BSCs face: convincing the CEO versus the Purchasing Department or tying CEO rhetoric to actual action and facing a supply chain that is not always supportive. Ms. Peluso spoke about three points in green thinking: preserving normal business operations – profit, balancing people and communication on how green will benefit the enterprise. Mr. Lohnes spoke on how UGL Unico assisted National Geographic to become the first LEED green building. He said that a good definition of green is “effective cleaning that protects health without harming the environment”. A new concept being put out by property managers and building owners is the green lease and now several sectors in the US are requiring green cleaning in RFPs. He pointed out several: K-12 100% of RFPs require green cleaning, Higher Education 95%, Federal Government 100%, Commercial 85% and Industrial less than 40%. Mr. Openshaw spoke on the triple bottom line – improving the bottom line while doing what is right for the planet and the community and the drivers are government, customers and competitive pressure. He pointed out that to be sustainable, BSCs need to concentrate on all three elements, not just one. He also mentioned that stand-alone cleaning contracts are down while integrated contracts are up in the UK with cleaning representing just 25% of contract value. On Tuesday night, after a



President Norberto Peluso
Welcomes All



Exhibition Opening

day of informative sessions, all attendees enjoyed a fantastic New Zealand night, the site of the 18th World Congress. On the final day, Ian Greig gave a thought provoking talk, which will be covered under the Associate Member News section of the December issue of International Dimensions.



Testing Out A Product

The sessions closed with the closing ceremony where Robert King was installed as the new President of the WFBSC. That night, everyone enjoyed a beautiful Gala Dinner and Farewell party which was a perfect end to a successful Congress.

AUSTRALIA-VICTORIA

Nine BSCs Sign Collective Agreement

Nine building service contractors signed on to the NSW Collective Agreement in October. The nine included, ISS Facility Services, (the first national contractor to sign) Quad Services, Solutions Property Services, Bayton Property Services, Swan Services, Ezko Property Services, BIC Services, Heba Cleaning Services and the Glad Group. The agreement represented months of negotiations between the contractors and Cleaner's union. Under the agreement full-time cleaners will see wages increase from the current \$15.59 per hour to \$21.17 over four years and part-time cleaners will see a raise from \$17.95 per hour to \$24.35 over four years.

BELGIUM-BRUSSELS

Key Indicators Remain Stable

According to Eurostat and the European Central Bank (ECB) three key indicators: the household saving rate, the investment rate and profit share of non-financial businesses have remained stable. Household saving rates were up in the EU in the second quarter of 2008 at 13.9% versus 13.7% in the first quarter of 2008. The investment rate of non-financial corporations remained at 23.3% in the euro area in the second quarter of 2008 from the first quarter of 2008. And in the second quarter of 2008, the profit share of non-financial corporations was 38.6% versus 38.8% in the first quarter of 2008.

BRAZIL - CURITIBA

Curitiba Selected As Site For 2012 Congress

At the WFBSC Board meeting during The 17th Congress of the World Federation held in October in Buenos Aires, Adonai Aires de Arruda, President of SEAC-PR, was nominated and approved to become the President-Elect of the WFBSC. In addition, Curitiba was chosen to be the site of the 2012 World Congress. Mr. Arruda has previously served as the president of the Curitiba Convention & Visitors Bureau so the 2012 Congress promises to be an exciting and world class event. Curitiba is the capital city of the Brazilian state of Parana. The city has the largest population and largest economy in Southern Brazil.

CANADA-TORONTO

Small Businesses Face Credit Challenge

The credit crunch, is raising concerns among small business owners about their ability to finance their operations. While banks have the money to loan, they are tightening the rules, such as not lending to companies that don't have positive cash flow and requiring more collateral, as well as increasing lending costs. Even applying has become onerous as loan documentation, which would have been a one-or two-page term sheet a year ago can now consist of countless pages. The Canadian Banking Association reports banks provide 53% of debt financing to small and medium-sized companies and small businesses are not unappealing to the banking industry. For the first time in two decades, small and medium companies outperformed the rest of the economy. In 2007 over 33,000 small businesses were started up and it is predicted that 260,000 small businesses will be launched by 2013. Nevertheless some small businesses in specific sectors such as automotive and retail may find it harder to borrow money.

FRANCE-PARIS

Proposed Taxes Are An Aberration

The head of the Mouvement des Entreprises de France (MEDEF) has come out against several new taxes on employers being proposed by the Sarkozy government saying they will lead to the death of thousands of small French businesses. MEDEF

pointed out in particular two proposed taxes; one to fund employee travel to work by car and another to increase social security contributions for low-paid workers. Sarkozy has also proposed taxes on industries that pollute, increasing the capital gains tax and adding new taxes on stock options and employee share plans.

GERMANY-BERLIN

ZEW Indicator Belies Expectations

The closely watched ZEW economic indicator rose to minus 53.5 points in November from minus 63.0 points in October. The continuing trend up from a record low of minus 63.9 in July was better than the minus 58.5 points forecasted. However, despite the indicator, the outlook for the German economy is not very positive and economists note that the ZEW index is at a very low level. Economists and investors predict there will be no growth in 2008 and that the economy will weaken further over the next six months before conditions improve.

JAPAN-TOKYO

Cabinet Disapproval Rises

A recent poll by Kyodo News shows that the approval of Prime Minister Taro Aso's Cabinet has declined while disapproval has risen to 42.2 percent, the first time it has exceeded the approval rating. The economic policies promoted by the Cabinet have appeared to cause the most contention with almost 60 percent against the proposed cash benefits the government is proposing to give to all households by March 2009. In addition 55 percent are against the proposed increase in the consumption tax. Of those polled, 50.3 percent would use the cash benefit on living expenses, 27.2 percent would save it and 16.9 percent would spend it on entertainment and luxury items.

NEW ZEALAND-AUCKLAND

Master Franchisee Charged With Fraud

The Serious Fraud Office (SFO) charged Keith Victor Lapham a Green Acres Master Franchisee in Auckland District Court, with three counts of fraud. The SFO alleges Lapham

obtained \$3,591,900 from about 172 people to whom he granted sub-franchises from March to December 2007. Green Acres, which at no time was subject to the SFO inquiry, welcomed the news of the charges and has offered those affected with the opportunity to start a franchise with no fee. In addition, some of the affected have been allowed to take on a lawn-mowing, domestic cleaning or commercial cleaning franchise business, without an additional franchise fee.

SOUTH KOREA-SEOUL

Businesses To See Rate Hikes

The government, which has been delaying hikes in electricity and gas rates will now raise the price of electricity by an average of 4.5% and gas by an average of 7.3%. The increases have been made to offset mounting losses at two utility suppliers Korea Electric Power Corp. and Korea Gas Corp. Electricity rates for general use will rise by 3% and industrial use by 8.1% while households will not see an increase. Gas rates will rise 4.8% for households and 9.7% for businesses.

TAIWAN-TAIPEI

Fines To Be Imposed For Noise

The Noise Control Act recently passed by the Legislative Yuan will ban any vehicles, factories, recreational facilities, businesses, construction or renovation sites and broadcasting devices from making excessive noise. If vehicles making excessive noise are reported, owners will be required to have their vehicle examined within a specific time limit. Factories will have three months, recreational facilities and businesses will have one month, and construction and renovation sites will have four days to fix the noise. Violators will be fined between NT\$1,800 and NT\$3,600.

THE NETHERLANDS-AMSTERDAM

Profits Dip To Three-Year Low

Statistics Netherlands reports net profits of non-financial companies in the Netherlands amounted to 19 billion euro in the second quarter of 2008, the lowest level in three

years. Profits were 11.1 percent lower than in the second quarter of 2007. The drop in net profits is the result of two main factors: higher interest costs – the companies paid more net interest – and lower profits of foreign subsidiaries.

UK-LONDON

CSSA Launches New Member Benefits

In October 2008 the CSSA launched a series of new member benefits. First the CSSA created an affinity arrangement with the British Quality Foundation to offer their Levels of Excellence program to CSSA members at beneficial rates. Levels of Excellence is a European wide program of business improvement that offers all businesses a chance to set themselves apart from the rest.

Second, the CSSA recognizes that health and safety compliance can be challenging, especially for small firms and has introduced a charter membership category where for £99 +VAT per year small cleaning businesses (5 employees or fewer) can access the CSSA's expertise on health and safety matters and can have the opportunity to buddy up with another firm to share health and safety knowledge and expertise.

Third, the CSSA has re-launched www.cleaningindustry.org as the website for the contract cleaning sector in the UK and has also launched a blog, found at cleaningatlarge@blogspot.com.

Last, the CSSA has recruited a new policy intern. Starting in mid-November, the intern will be a valuable addition to the team and will bolster the ability of the association to present the messages of the contract cleaning sector to Government and the wider world.

US-DISTRICT OF COLUMBIA

Small Firms Unprepared For Disaster

A national survey commissioned by Office Depot of 5,000 small business professionals shows that 40% of small U.S. businesses are not prepared for a disaster. One-third said they have no plans to prepare and 25% said they would rather deal with a disaster as it occurred rather than prepare beforehand. The survey did show small businesses located in natural disaster-prone regions (coastal areas or the Midwest) are far more inclined to prepare for disasters.

ASSOCIATE MEMBER NEWS

JohnsonDiversey

At the 17th Congress of the World Federation held in October in Buenos Aires, JohnsonDiversey CEO, Ed Lonergan, noted several factors that face the industry and the world in the future: the median age in the BRIC countries is 27 and in India, over 75 percent of the population is under 35 while Europe is faced with aging populations that will impact the labor force and pensions. The BRIC countries will actually drive growth through 2050. He said over \$150 billion per year is spent annually on climate change costs and over two-thirds of the world in the next 15 years will face drought. He went on to say that sustainability cannot be separated from economics and is more than just environmental stewardship. He noted that done well, sustainability makes enterprises profitable for the long-term. According to Lonergan, sustainability saves energy, water, labor and waste. He went on to say that the Green Building Certified program has seen a 250 percent increase in the last three years with membership now at more than 15,000 over 300 just ten years ago. He pointed out that cleaning represents nine of 34 points required for certification so BSCs have a strong role to play. Lonergan spoke about the JD mission to protect lives, preserve earth, and transform industry and he illustrated some of the programs the company has undertaken to achieve its mission. One major initiative is to film cleaning practices globally to document current procedures, and improve and develop efficient, simplistic, consistent, safe and reliable techniques for cleaning procedures. He finished by quoting Winston Churchill; "A pessimist sees the difficulty in every opportunity; and optimist sees the opportunity in every difficulty."

UPCOMING EVENTS

18th Congress of the World Federation of Building Service Contractors
Auckland, New Zealand
November 2010

19th Congress of the World Federation of Building Service Contractors
Curitiba, Brazil
2012



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

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