

INTERNATIONAL DIMENSIONS

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

Submit your news for publication to Andrew Large at

alarge@cleaningassoc.org



June 2010

WFBSC News

Auckland Registration Now Open

Registration for the 2011 WFBSC Congress in Auckland, which takes place between 6th February and 11th February is now open. Please see www.wfbsc2011.com for details.

London, United Kingdom

Cleaning Manufacturing Growth

An increase in orders for manufactured products in the UK cleaning industry for the second quarter in succession may indicate that the sector has finally consolidated its position after a tumultuous period during the recession. According to the quarterly assessment produced by the Engineering Employers Federation (EFF) projections are that the sector's output could increase by 3.5% during 2010 and 2011, following a contraction of 10% in 2009. A survey of 547 companies indicated that 30% have reported increased output, while 38% reported rising orders – the ever since records were maintained 15 years ago. Despite the positive developments, manufacturers expressed concerns about the depth of Government

support, the volatile global economy and the willingness of banks to provide credit. The figures also revealed that export sales rose by a record 23% with companies attributing the rise to the weaker value of the pound, which has made goods more competitive in foreign markets. The survey also revealed that the recovery is broad based and balanced across all sectors and regions. Steve Wright Chairman of the British Cleaning Council commented that “the second quarter figures are encouraging, and we hope that British manufacturing is on its way to becoming a key driver in our economy once again.” The British Cleaning Council will convene a conference in October, consisting of sessions on maximising opportunities arising from the economic recovery and fostering growth in the British manufacturing sector.

Cancun, Mexico

SEAC-RJ Participates in INTERCLEAN

SEAC-RJ recently participated in the ISSA-INTERCLEAN conference at Cancun. The event aimed to showcase to Latin America the most innovative products, equipments and services the industry has to offer as well as establish new contacts. The SEAC-RJ is a training institution that aims to develop the skills of

workers and organisations in various business sectors in Rio de Janeiro. Attending the conference enabled them to further their objectives as the ISSA also held a symposium Green Cleaning and the scientific advances made towards achieving more sustainable practices as well as updating of standards and regulatory programs.

Athens, Greece

Greek Economy Gets Help from China

Beleaguered Greece received a vote of confidence from China as it signed a deal to invest in the crisis ridden country, across a wide spectrum of economic activity. The multibillion Euro agreement will see investments made in the areas of shipping, tourism and telecommunications. According to Greek officials the deal amounts to the biggest investment package by China in Europe. Following the signing ceremony on June 15 the Chinese Vice Premier Zhang Dejiang signalled Beijing's intent to aid Athens in its time of economic peril. He voiced his confidence that Greece can overcome its present woes and has stated that the Chinese Government will encourage businessmen to come to Greece to seek investment opportunities. The investment deal comes at a time when fears of a collapse have undermined confidence in the Euro and have sent the value of the currency falling. The agreement follows the decision taken by the ratings agency Moody's on June 14 to downgrade Greek bonds to "Junk" status, which would prevent some institutional investors from buying Greek debt under the terms of their investment mandate. China sees the agreement as an opportunity to use Greece as a portal to make economic inroads into the Balkans at a time when conditions are at their most favourable.

Johannesburg, South Africa

Brazil Promotes World Cup 2014 in South Africa

Brazil, the hosts of the forthcoming 2014 World Cup opened a 3000 square –metre exhibition centre in South Africa, the current hosts of the World Cup; in a bid to promote the nation's tourism. The Casa Brasil, or Brazil House is located in an upmarket neighbourhood in Johannesburg and will provide promotional information about the 12 cities that will host the World Cup in 2014. The initiative, which cost 10 million Real's (5.58 million US Dollars), aims to attract investors to Brazil and promote the country's tourism in the following years. Tourism Minister Luiz Barretto said that the World Cup would increase the number of foreign tourists from the current figure of 5 million to 8 million in 2014, adding that "It is the first kick to 2014 and the chance to make Brazil a great tourism destination"

Brussels, Eurozone

Global Economic Problems Cause Currency Fluctuations

The US Dollar continued to weaken against the other major currencies as the markets concerns about the euro zone country's debt problems eased. On June 15th the Euro reached 1.2349 Dollars, the highest level since June 1st. The European Commission said that Spain and Portugal will have to keep their painful budget cuts in place well into 2012, while also stressing that their proposed cutbacks for 2011 should bring their budget deficits in line within EU mandates. Meanwhile strong demand for bond auctions of Spain and Belgium has somewhat reduced investor's concerns over the Euro. Spain raised 5.2 billion Euros at auctions for 12- and 18-month bills. Belgium's bond auction was also oversubscribed with a total of 2.5 billion Euros. In other trading the British pound

rallied from 1.4817 Dollars to 1.7771 Dollars, while the Dollar fell to 91.38 Japanese Yen from 91.52 Yen on June 14th.

London, United Kingdom

UK Public Spending Starts to Fall

The latest figures published by the UK Office of National Statistics have signalled that the much anticipated squeeze on public spending has begun. According to the figures released, unemployment rose by 23,000 to 2.47 million in the three months leading up to April. The statistics also revealed that public sector employment fell by 7,000 to 6.1 million during the first quarter, signalling the demise of growth in that sector while the private sector enjoyed an increase of 12,000 taking its total to 22.8 million. In other developments the statistics also revealed that the number of people claiming jobseekers allowance fell by a better than expected 30,900 in May to 1.46 million or the equivalent of 4.6% of the workforce. At present officials have been unable to account for the divergence between the rise in unemployment figures and the drop in unemployment benefit claims. John Phillpott, chief economist at the Chartered Institute of Personnel Development commented that the rise in unemployment was "quite disappointing." The unemployment rate rose by 0.1% to a total of 7.9% compared to 9.7% in the US and 10.1% in the Euro zone. Mr Phillpott opined that the labour market could stabilise over the coming months, however unemployment was likely to rise again in the following year as public spending cuts take effect, resulting in a 3 million spike by 2012. Other economists predicted that it may peak earlier at 2.7 million, far lower than feared following the deepest recession in the past 30 years. The figures also revealed that employment in local Government shrank by 4,000 while it

increased by 5,000 in the National Health Service. The number of young people aged 16-24 unemployed rose by 11,000 to 926,000 or 19.6% of the workforce in that age group. Chris Grayling the employment minister indicated that there were nearly 5 million people claiming one of the main out of work benefits; understating the scale of the welfare challenge that faces the Government. Yvette Cooper, shadow work and pensions secretary, said: "These figures show why it would be mad to cut support for jobs and the economy right now."

Buenos Aires, Argentina

Pressure For Wage Increases in Argentina

Labour leaders in Argentina are demanding the biggest wage increases in 15 years in order to keep pace with the rate of inflation, which they say is running at three times the official rate at 10.7% a year. In the previous month sugar harvesters successfully attained a 43% pay rise, cafeteria employees 35% and janitors 28%. Union leader Osvaldo Iadarola who represents 20,000 telecom workers seeking a 35% increase stated that "We want to be prepared so that, if inflation takes hold, we will be able to renegotiate our wages again and not be tied for a year... price increases have left workers with a loss of purchasing power." Concerns have been raised that such pay awards will compel businesses to push up prices thus perpetuating an inflationary cycle that will result in reduced consumption; deter investment and quell economic growth. Previously in the 1970's and 1980's the country suffered bouts of inflation which peaked in 1989 when consumer prices rose by 5000%. Economy Minister Amado Boudou, said in a speech on June 8 that wage awards are in line with government policy for "the redistribution of wealth." Former Finance

Secretary Daniel Marx said that doubts about the accuracy of the data released by the national statistic institute means that labour leaders tend to overshoot their wage demands due to the lack of reliable figures of which to base their claims. He further added that Argentines have “lost their bearings” on the rate of price increase. Various economists and politicians, including former central bank President Alfonso Prat-Gay, have challenged the official data since former president Nestor Kirchner started to replace personnel at the Buenos Aires-based institute in January 2007. According to Buenos Aires-based research company Ecolatina inflation is anticipated to rise to 26% this year from 15.3% in 2009. According to official figures prices rose 7.7% last year while it reached 10.7% in the 12 months to the end of May. President Cristina Fernandez de Kirchner said on June 8 that policies to boost consumption and strengthen the domestic market helped the economy weather the global financial crisis and grow 0.9 percent last year. From 2003 to 2008, expansion averaged 8.5 percent per year. On April 9th Finance Minister Amado Boudou stated growth is anticipated to exceed 5% this year.

Vancouver, Canada

Healthcare Cleaning Issues in Vancouver

The Vancouver Island Health Authority (VIHA) is currently seeking alternatives to a private contractor that provides housekeeping and food services for south island hospitals and residential care facilities. The cleaning contractor involved with the VIHA held contracts for the previous six years and saw its covenant renewed for another five despite being marred by regular infection outbreaks, failed housekeeping audits and damaging WorkSafe B.C Inspections. The contractor operates in numerous facilities including

Glengarry Hospital, which recently suffered an outbreak of a mysterious respiratory infection and Niamo Regional General Hospital where Compass was censured by the B.C Centre for Disease Control last year for its response to a C. difficile outbreak that killed three people. In a statement the VIHA clarified that the decision to explore alternative providers was taken in 2009 and is therefore not in response to the Glengarry or other outbreaks. VIHA spokeswoman Suzanne Germain stated that “we are testing the market to ensure we're getting value for money, and enhanced quality of service.” When queried as to whether VIHA was unhappy with Compass’s performance Germain diplomatically stated “we believe that there can be improvements made.” WorkSafe B.C previously issued eight orders against the contractor last spring for its failure to train staff properly and for carrying out an inadequate investigation of workplace accidents at Royal Jubilee and Victoria General hospitals. The reports also cited the contractor for neglecting to provide cleaning staff with adequate training and supervision in the use of a disinfectant solution to combat the spread of C. difficile. B.C health critic Adrian Dix has called for the provincial government to bring the service back in house, arguing that cleaning standards have sharply declined since the Liberal Government contracted the work out in 2004. The move resulted in more than a 1000 hospital employees laid off and a wages decline from \$19 per hour to \$10 per hour as VIHA cut approximately \$10 million from its annual expenses. Joe Murphy, VIHA vice-president of operations and support services, said reverting to in-house cleaners is not an option “at this point,” but a company that provided consistency in service would benefit patient care. Meanwhile nurses have stressed the need for more cleaners as they often have to wait to move patients while ‘overworked’ housekeeping staff play catch-up, according

to Jo Taylor, Pacific Rim representative of the B.C Nurses Union.

Brussels, Eurozone

EU Adds to Pressure on Deficits

The European Union formally requested three more member states to undertake efforts to reduce their budget deficits below the 3% ceiling set by the EU Growth and Stability Pact. The European Commission identified Cyprus, Denmark and Finland as countries that were running deficits that fell foul of the aforementioned pact. The European Commissioner for Economic and Monetary Affairs Olli Rehn said: "The entry into the excessive deficit procedure of these countries, which until recently had surpluses, shows the severity of the economic and financial crisis we have gone through." Rehn further added that "deterioration of the public finances of the countries are partly due to the stimulus measures taken to fight the economic crisis, but now it's time to "focus on returning to sound public finances." Due to the enormous stimulus packages undertaken to combat the global recession across the 27 member bloc, many states now find themselves saddled with enormous budget deficits; and following the sovereign debt crisis in Greece has prompted the EU to implement stricter budgetary rules for its member states.

Wellington, New Zealand

New Zealand and China implement Free Trade Area

Chinese Vice Premier Xi Jinping recently visited New Zealand in an effort to strengthen bilateral ties. In discussions with the New Zealand Prime Minister John Key, Xi said that the relationship was at a historical high. He cited the frequent exchanges of high level visits and the ever strengthening bilateral and

economic ties, thanks in part to the implementation of a Free Trade Agreement. The FTA signed in October 2008; boosted trade between the two countries, with volumes increasing as high as 3.6% in 2009 despite the worldwide economic downturn. Xi indicated that China had always taken a long term strategic approach towards its ties with New Zealand and regarded the country as a good friend and partner in the Asia-Pacific region. Xi urged both sides to tap the potential for economic cooperation while making full use of the FTA and to make trade and investment more balanced, smooth and comprehensive. The Vice Premier outlined a four point proposal on further strengthening ties between the two nations including more political, economic and cultural exchanges as well as further coordination on major international issues. The first was to focus on important sectors and explore cooperative potentials; citing the fact that New Zealand was rich in resources and advanced in science and technology, while China had large markets and an inexpensive labour force of good quality. The second was to expand cooperative sectors and enrich its contents whereby both countries could fully tap into the FTA and seek to expand in all fields of trade; in particular new energy and bio technology. The third was to deepen regional cooperation with Xi stressing that China and New Zealand could play a bigger role in pushing forward Asia-Pacific regional development. The fourth and final point was to enlarge the sphere of exchanges between the two nations. Xi hoped that the two countries could further expand the exchange and cooperation in education, science and technology, culture and tourism.

London, United Kingdom

Ethical Cleaning Business Launched

A mother of three is soon to launch a unique cleaning firm. Hannah Jackson-Matombe is set to unveil a so called 'ethical' cleaning business. The business is branded as such because its policy to use only organic products as well as mainly recruiting individuals on unemployment benefit. Ms Jackson-Matombe said her inspiration came from Prime Minister David Cameron who spoke of the need for everyone to "take joint responsibility for issues like unemployment and the environment." She describes her company – named Spotless Organic as more than just a cleaning firm. Another reason she cites for setting up the company is her own poor experience with cleaners. "I've had strangers letting themselves into my house, with a key provided by the agency," she added. "They may have poor communication skills and are often not security checked. Then they disappear and you never see them again". The company's policy of using only green products stems from Ms Jackson-Matombe's suspicion that her child's eczema was triggered by a chemical cleaning product used in the house. With customers being charged at £ 15 per hour with cleaners receiving £7.50 per hour she hopes the scheme will be competitive with customers being expected to sign a year-long contract. Cleaners working for Spotless Organic are expected to perform a variety of duties from ironing and sorting out a sock drawer to recycling, cleaning a car and walking the dog.

Brasilia, Brazil

Economic Growth Continues in Brazil

Retail sales growth in Brazil slowed in the month of April from the record pace seen in March, prompting speculation that after rapid growth levels the Latin American economy is now slowing down to catch its breath. Sales increased by 9.1% in April compared to the

same month a year ago. Whereas in March sales increased by 15.7% compared to the previous year. Sales figures fell by 3% from the previous month, which was higher than the median forecast of a 1.6% decline by 27 analysts surveyed by Bloomberg. Marcelo Carvalho, Morgan Stanley's Chief Economist in Sao Paulo commented that the data signalled a moderation in growth from unsustainable levels rather than the start of a downturn. Carvalho further added that "The sequentially negative figure should not be confused with a new declining trend...the supporting drivers for retail sales remain in place." Meanwhile Brazil's unemployment declined to 7.3% in April from 7.6% in March. In May consumer confidence rose to its highest level since March 2008 according to a survey of 2000 households conducted by the Getulio Vargas Foundation. Neil Shearing of the London based Capital Economics speculated that the month on month retail sales figure could have been distorted by businesses closing for the Easter Holiday in April and the pre-Easter spending in March. Brazil's economy grew 9% in the first quarter as compared to the previous year, making it the fastest annual rate since 1995 and placing it behind only China among the major emerging markets. The record pace of growth has prompted fears that the economy may be overheating. Morgan Stanley increased its 2010 Brazil growth forecast to a 'Chinese-like' 7.9 percent from a previous 6.8 percent estimate in its June 14 report. "With little slack left in the economy, recent blockbuster growth is too strong for lasting health," Morgan Stanley said in its report. The report further added that if neither slower growth in China nor a reduction in commodity prices cool down the economy then the Central Bank will have to intervene. Brazil's Central Bank raised the interest rate to 10.25% from 9.5% in a bid to contain the inflation rate which currently sits above the government's target of 4.5%.

Canberra, Australia

Minimum Wage Controversy

The Fair Work Australia tribunal's decision to award an increase in the national minimum wage has been branded as 'out of sync' by the Australian Industry Group. The Chief Executive of the Australian Industry Group Heather Ridout said that "The \$26 per week increase comes at a time when employers are still dealing with the effects of the downturn, global conditions are uncertain and consumer confidence is weakening" Ridout believes that the tribunals decision to increase the minimum wage by \$26 is an attempt to 'catch up'; adding that such an approach is risky. Ridout further added that "Timing is everything and there is a risk that this increase will slow the pace of job creation and that for many households the benefits of higher wage rates will be offset by a reduction in employment opportunities". In addition to paying the increased minimum wage, employers will be required from 1st July to pay increased wage rates, penalties and loadings; prompting concerns that the award modernisation may prove more costly than employers had initially thought. Ridout commented that "The increase in wages will impose higher costs on employers who, in addition to the increase in wages, will have to meet higher payroll tax, superannuation guarantee and workers' compensation liabilities. At a modest estimate of an extra 20%, the increase in wages of \$26 a week will cost employers over \$31 per week"

Berlin, Germany

Investors Concerned Over Economy

German investor confidence sharply declined over the past month amid persistent fears over the Eurozone debt crisis and the impact

of the austerity measures undertaken by European Governments across the 27 member bloc. The ZEW institute's index, which measures investors expectations for the following six months shrunk to 28.7 points in June, from 45.8 in May – making it the lowest level recorded in a year, yet still higher than the historical average of 27.4 points. Zew said in a statement that the economic outlook remains positive but sentiment is being weakened by "uncertainty about the future developments of the debt crisis and the perspective of necessary cuts in public expenditure in EU member countries". Governments across Europe are putting in measures to reign in on public spending as they seek to bring their budget deficits under control, prompting fears that the austerity measures could push many of these countries back into recession. ZEW's president Wolfgang Franz stated that "The recovery is still fragile" and that "Fiscal policy is therefore well advised to define necessary consolidation measures now, but to implement them not until 2011" ZEW indicated that experts' assessment of the current economic situation improved this month – climbing by 13.7 points to reach -7.9 points; its highest level since the 2008. According to Carsten Brzeski of ING in Brussels the ZEW index "now seems to capture the full fallout on sentiment" of the debt crisis, with a huge Eurozone rescue package and the European Central Bank's move to buy government bonds and support money markets yet to stabilize confidence fully" but further added that "Still, there should be no reason to panic," he added. "Looking at the fundamentals of the German economy, there is no reason for depression." German exports have been aided by a wider global recovery, resulting in rising industrial orders, while the euro's weakness "provides welcome support in the coming months", added Brzeski.

New York, USA

Subway Dirt on the Rise

According to the annual 'Subway Smutz' survey conducted by the Straphangers Campaign found that 50% of New York's subway cars were rated clean. This represents a decline from the previous year when 57% were rated clean. The data was gathered via 2,200 observations spanning the period of September to November 2009. Of the 22 subway lines surveyed the M train received the lowest rating with only 32% of its cars rated clean, while the D train recorded the worst deterioration in a yearly period with its 80% clean rating in 2008 being slashed to 38% in 2009. The survey noted that the C and 6 lines performed the best by attaining a 65% clean score. According to Gene Russianoff, campaign attorney for the straphangers campaign "It's as clear as the grime on a subway car floor: MTA Transit cuts in cleaners has meant dirtier cars...and more cuts to come means more dirt for subway riders." The Metropolitan Transport Authority experienced a budget shortfall and consequently approved of budget cuts, with cleaning staff being among the casualties in 2009. Over the past two years the agency has cut 151 cleaning workers and 32 supervisors. The MTA has proposed to make additional cuts as it faces an \$800 million budget shortfall. "How will subway cleanliness fare in an age of shrinking resources? We will do another survey next fall, compare and find out," said Cate Contino, who coordinated the survey.

Des Moines, Iowa, USA

Cleaner Schools

According to reports from the Healthy Schools Campaign the Governor of Iowa Pat Quinn signed legislation passed by the Iowa General

Assembly requiring public schools, community colleges and institutions under the control of the state board and state agencies to comply with an environmentally preferable cleaning and maintenance policy. The bill – designated as House File 23 requires institutions falling within the remit of the legislation to only purchase products that meet nationally recognised green standards by July 2010. The Health Schools Campaign has been a strong advocate of promoting state level green cleaning legislation to promote healthy indoor environments for students and staff in order to reduce chemical exposure, cut back on waste and improve sustainability efforts. In 2007 the Healthy Schools Campaign brought together a coalition that successfully lobbied the state of Illinois to introduce policy to require green cleaning in schools

Toronto, Canada

Wages an Issue at Union Station

An investigation conducted last year found that the cleaning contractor at the city owned Union Station was underpaying its workers, prompting questions as to whether the contract worth \$2.3 million over three years should have been renewed the previous month. The city acquired the station in 2000 but did not assume managerial responsibilities until last year, which included a contract with Impact Cleaning Services Ltd to provide heavy duty night cleaning. City wage policy requires cleaners to be paid \$11.33 an hour, however two dozen union station workers were discovered to be making less than the stipulated wage rate. The issue was raised by Councillor Pam McConnel, who was unhappy that the City opted to renew their contract with Impact for three years. Mark Piplica, manager of the city's fair wage office said that a contractor is not disqualified from bidding on city work unless it has two

violations in a three year period. McConnel is advocating for tougher rules: "The number of people affected and the way in which this company does business in my view should have precluded us from allowing them to bid." She further added: "I think we should be protecting these workers and making sure the city is compliant," she added. "I think it's terrible. I think it's humiliating and totally embarrassing." However in a report late in the previous year the City indicated that it was happy with Impact's services from the time the city took over management of the station, and that the company had given assurances to the fair wage office that it would comply with the city's policies.

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

WFBSC ASSOCIATE MEMBERS

ConverPro, Inc.
St-Cesaire, QC
450-469-5588
[.converpro.com](http://converpro.com)

Daniels Associates
Phoenix, AZ
602-992-5192
[.danielsworldwide.com](http://danielsworldwide.com)

Diversey
Sturtevant, WI
262-631-4001
[.diversev.com](http://diversev.com)

Ecolab
St. Paul, MN
651-293-2233
[.ecolab.com](http://ecolab.com)

Kaercher
Germany
.Kaercher.com

Truvox
UK
44 (0) 23 8070 2200
.truvox.com

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

WFBSC Member Associations

Algemene Belgische Schoomaakunie--Union
Generale Belge du Nettoyage
Brussels, Belgium
Hilde Engels [.UGBN@skynet.be](mailto:UGBN@skynet.be)

Asociacion de Empresas de Limpieza
Buenos Aires, Argentina
Norberto Peluso @limpiolux.com.ar

Building Service Contractors Association of
Australia
Crows Nest, NSW, Australia
@bscaa.asn.au

Quebec Building Service Contractors Association,
Inc.
Montreal, Quebec, Canada

Roger Gauthier .gauthier@sympatico.ca

Building Service Contractors Association
International
Chicago, Illinois, USA
Chris Mundschenk @bscai.org

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

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

Cleaning and Support Services Association
London, United Kingdom
Andrew Large @cleaningassoc.org.uk

Febrac
Brasilia, Distrito Federal, Brazil
Adonai Arruda - @higiserv.com.br
Ricardo Garcia - @globo.com

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

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

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

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

OSB
Hertogenbosch, The Netherlands
@osb.nl