

# Perspective

World Contracting News, Views & Comments

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## ARGENTINA-BUENOS AIRES

### IMF Notes Argentina's Fiscal Improvement

Rodrigo de Rato, Managing Director of the International Monetary Fund (IMF), made the following statement at the conclusion of his visit to Argentina: "My main goal in coming to Buenos Aires was to offer my support to the President for normalizing Argentina's economy and standing in the financial markets, with a view to attracting the new investments necessary for sustaining growth and poverty reduction for the benefit of all its citizens. There are two particularly important and intertwined elements in this regard: the completion of a comprehensive and sustainable restructuring of Argentina's sovereign debt to private creditors, and a supporting medium-term fiscal framework. In this context, I discussed with the President the steady improvement in Argentina's fiscal position since 2002 and the recovering banking system. Our discussions revealed many common understandings on the economic policy priorities that lie ahead. We agreed that prudent budgetary policy, within a framework of rising public savings, had been a key achievement of Argentina's federal government and provinces; this recent track record has bolstered consumer and investor confidence while also allowing considerable room for meeting the government's poverty reduction objectives. Safe guarding and building on this good performance in the future is a key policy priority and we look forward to a commensurately strong budget framework for 2005.

## AUSTRALIA-NATIONAL

### New Contracts Manual Published

After six months of intensive research and development work, the BSCAA National Board has released, through its State Divisions, a Contracts Management Manual. The Manual has been

designed specifically for small to medium size contractors. It is a guide for interpreting tenders and contains many handy hints, forms, flowcharts and diagrams. Areas covered include corporate governance, human resources, security, privacy & confidentiality, trade practices, risk management, safety, injury management, environmental management and quality management. National President, John Lazzari, said "the intention was to assist our members and add value to their businesses and the whole package has been costed (AUS\$110) at a price every member can afford - members are taking up the offer right across the country."

## AUSTRALIA-NATIONAL

### Strategy Aimed At Regional/Remote Members

Australia is the world's sixth largest country and the BSCAA National Board recently announced a new national strategy aimed at servicing members in regional and remote locations. Regional visits first commenced in Queensland, the largest state and are now occurring in most states. The National Board has further approved a range of member communication strategies to ensure that distance is no longer a factor and that the full range of member services can be provided at the touch of a button. It is expected that the regional membership strategy will see BSCAA Australia-wide membership pass the 1000 number for the first time in its history. 2004 marks the 40th anniversary of the Association.

## AUSTRALIA-VICTORIA

### 2004 International Young Executive Award

BSCAA National is delighted that Paul Grant (Consolidated Property Services, based in Victoria), has been shortlisted to the final three candidates in the Truvox International 2004 Young Executive Award,

to be announced in Montreal at the WFBSC Congress in September.

## BELGIUM-BRUSSELS

### Economic Indicators Point To Growth

**G**DP grew by 0.5% in the euro-zone (Belgium, Germany, Greece, Spain, France, Ireland, Italy, Luxembourg, the Netherlands, Austria, Portugal and Finland) and by 0.6% in the EU25 during the second quarter of 2004, compared to the previous quarter, according to flash estimates published by Eurostat, the Statistical Office of the European Communities. In the first quarter of 2004, growth rates were +0.6% for both zones. Compared to the same quarter of 2003, GDP grew by 2.0% in the euro-zone and by 2.2% in the EU25 in the second quarter of 2004, after +1.3% and +1.7% respectively in the previous quarter. During the second quarter of 2004, US GDP increased by 0.8% compared to the previous quarter, after +1.1% in the first quarter. Compared to the second quarter of 2003, GDP grew by 4.8% in the US, after +5.0% in the previous quarter.

## CANADA-BRITISH COLUMBIA

### Fairgoers Enjoy Plush Restrooms

**T**he Charmin Ultra "Washroom Rejuvenation" team has been taking part in festivals across Canada. The team transforms existing public washrooms into comfortable clean 'oases' which have been very well received by the various festival attendees. At the Fair at the PNE in Vancouver, the rejuvenated washrooms by Charmin Ultra feature the use of aromatherapy, potted plants, soothing music, televisions, uniformed attendants providing constant maintenance, and Charmin Ultra - the softest, thickest and most absorbent bath tissue available from Charmin. To maintain the rejuvenated washrooms, Charmin will go through 75 litres of Ivory liquid hand soap, 3,600 rolls of Bounty paper towels and 4,100 giant rolls of Charmin Ultra tissue by the time the Fair ends.

## CANADA-KENORA

### Union Blames Deaths On Hospital Cutbacks

**T**wo recent deaths at Cornwall Community Hospital in Eastern Ontario have been blamed on the Clostridium Difficile virus - also known as C. Difficile, which can spread quickly throughout an institution, from

patient to patient, or from caregivers to patients. The Ontario Council of Hospital Unions (OCHU) is attributing the widespread rise of the virus to cleaning staff cutbacks and is asking the Ontario government to rectify the situation. According to the union, there have been 179 deaths in Quebec due to the virus and doctors there have directly linked the quality of hospital sanitation to the spreading of C. difficile. The doctors say that sanitation is the key to preventing its spread.

## CHINA-HONG KONG

### Batch Of Good News Propels Region

**A** batch of good corporate and economic news pushed Hong Kong stocks to a five-month high this month, with the blue-chip Hang Seng Index (HSI) rising above 13,000 for the first time since April. The SAR government raised its 2004 gross domestic product growth forecast to 7.5 per cent from 6 per cent based on the territory's economic performance in the first six months of the year. The local economy grew 12.6 per cent in the second quarter from last year's Sars-depressed level and 2.6 per cent from the previous quarter. Prices have also started rising and Citigroup economist Joe Lo said he expects the CPI to rise to 0.9 percent, formally ending Hong Kong's six-year-long deflation. The MorganStanley Capital International Asia-Pacific Index, which tracks more than 900 companies in the region, climbed 0.9 per cent to 89.88 and all 10 industry groups that make up the index advanced.

## CHINA-HONG KONG

### Bloodworms Spawn Panic At Pools

**T**he Hong Kong territory is fighting an epidemic of bloodworms - also known as midges - which have appeared in several of its 36 public pools. The residents of Hong Kong, who enjoy the clean, well-staffed recreational facilities are panicking and there are rumors of a public health crisis, even though the bloodworms do not pose much of a health threat. While some facilities are closed, police are investigating the lifeguards who are engaged in a labor dispute with the government involving staff cutbacks and pay cuts. The lifeguards, who say it is their duty to clean the pools claim that pool cleaning maintenance has suffered as a result of the cuts.

## DENMARK-COPENHAGEN

### Fewer Bankruptcies Filed In August

A total of 150 companies filed bankruptcy in August 2004 which is 24 fewer than in August 2003, and the lowest figure recorded in a single month since February 2001, according to statistics from business information bureau KOB. Real estate and trade companies made up the majority of concerns that filed. However the figures don't indicate if the decreased figure is a result of fewer new companies as in August, there were 1,319 new companies registered, compared to 2,366 in July and 1,515 in August 2003.

## FINLAND-HELSINKI

### Sweden/Finland Best Countries In Report

According to a report by the International Labor Organization (ILO), Sweden is the world's best country for wage-earners, with Finland a close second. The report, Economic Security for a Better World, covers 90 countries and 86% of the world's population. According to the ILO, economic security experienced by workers is a significant factor in assessing the happiness of the people; happiness is seen to enhance stability, growth, and tolerance.

## INDIA-NEW DELHI

### India Looking To Clean Up Its Tracks

Indian Railways is looking to make its trains more environment-friendly with a new toilet system. Currently, the toilets are open systems that discharge waste onto the tracks and railway stations. The new vacuum-based system will store the waste for a short duration until it can be discarded at the time of cleaning. This step is designed to meet the Ministry of Rural Development's strategy to incorporate total sanitation throughout India by the year 2012.

## JAPAN-TOKYO

### Offshore Weddings Have Hotels In Jitters

Hotel management is worried about a recent trend with Japanese couples getting married abroad. In 2003, 40,357 couples opted to get hitched abroad, according to a survey by Kyoto-based

Watabe Wedding Corp., which handled a little over half of those weddings. The most popular destinations included Hawaii, Guam and Saipan. Although the number makes up only 5.5 percent of all weddings recorded officially, the trend worries hotel managers since weddings make up a third of hotels' revenue.

## SCOTLAND-ABERDEEN

### Windows Won't Be Washed Anytime Soon

Management at the Aberdeen Royal Infirmary has cancelled a window cleaning contract for the second year in a row after determining that in order to meet budget, external cleaning could be eliminated. A hospital spokesperson claimed patients would not be affected and internal cleaning would still occur. The plan was slammed by north-east Scotland MSP Richard Lochhead, who said: "It's quite embarrassing that our local hospital is so cash-strapped it can't afford a window cleaner. It sends out the wrong message about the state of cleanliness in our NHS. This is the type of story patients don't want to hear, given the ongoing debate about hospital cleanliness generally."

## UK-LONDON

### Rentokil Won't Be Splitting Off Businesses

According to the Financial Times, Rentokil Initial PLC, has conducted an internal review which will stop short of recommending a break-up of the company. Several analysts and private equity groups had expected the sale of Rentokil's conferences and parcels delivery businesses - valued by outsiders at between 550 million and 650 million sterling- which do not fit with its core contract cleaning and pest control activities. However, it is believed that Brian McGowan, Rentokil's new chairman, after the previous chairman was ousted in May, is not planning to announce that either business will be put on the market.

## UK-LONDON

### Mitie Buys Back Stock

MITIE announced it agreed to purchase certain minority shareholdings of five MITIE subsidiary companies in accordance with their Shareholders' Agreements. The shareholdings to be pur-

chased in the five companies are: MITIE Air Conditioning (North) Ltd ('MAC North') - 46.5% of the issued share capital amounting to £1,308,070.40, MITIE Engineering Services (Retail) Ltd ('MES Retail') - 39.31% of the issued share capital, for £1,047,871.30, MITIE Roofing Services Ltd ('Roofing') - 40.35% of the issued share capital, for £1,017,060, MITIE Security (Scotland) Ltd ('Security Scotland') - 7.91% of the issued share capital, for a consideration of £84,480. MITIE Greencote Ltd ('Greencote') - 3.08% of the issued share capital, for a consideration of £43,570.50. The total consideration for all five purchases amounts to £3,501,052.20.

## UK-LONDON

### Microsoft UK Plays Safe with OCS Security

**O**CS Security Services is celebrating its latest contract win by adding the prestigious name of Microsoft to its already extensive manned-guarding client base. This large significant contract includes the provision of concierge and control room duties, offering fully comprehensive on-site management and support, and was awarded in June after an extensive tendering process. Microsoft was particularly impressed with OCS Security Services' passion for their business, innovative approach and cultural fit.

## UK-NEWPORT PAGNELL

### Dri-Eaz to Open European Education Centre

**D**ri-Eaz, a provider of solutions for the drying and restoration of water-damaged buildings has announced it will open an European Education Centre, located at the company's European headquarters in Newport Pagnell, U.K. The new Centre, which opens its doors on Oct. 13, 2004, will offer a range of professional level courses designed specifically for the needs of European restorers. Initial course offerings will include flood and fire restoration, and carpet and upholstery cleaning. The Centre's education courses will be taught by Nigel Hewitt, Dri-Eaz' lead instructor in the U.K. Hewitt brings more than 15 years of technical restoration and management experience to the 13-member Dri-Eaz education team. Hewitt managed his family's janitorial business in the U.K. for many years, successfully expanding it by adding restoration services and forging relationships with insurance adjusters.

## CORPORATE MEMBER NEWS

### Ecolab

**E**colab Inc. has donated 1,500 cases (108,000 bottles) of their antimicrobial hand washing products to the American Red Cross for disaster assistance efforts in the aftermath of Hurricane Charley. The product, known as Endure 300, is in the form of a gel and can be used in any location since it does not require water to sanitize the hands. It will be distributed to disaster victims and recovery workers by American Red Cross volunteers in Florida and associates working from the Distribution Center in Sarasota. More information: [www.ecolab.com](http://www.ecolab.com).

## ASSOCIATION NEWS

### BSCAI Government Affairs Report: US Election Outlook 2004

The 2004 Elections are only weeks away, and close races are set to occur across the country. President George W. Bush and Senator John F. Kerry face off in a Presidential race that is anticipated to be as close as the 2000 election. With the Senate split 51-49 in favor of Republicans, "toss-up" Senate races and those in swing states will be critical to both parties seeking a majority. In the House, Republicans hold an eleven seat majority, and are looking to widen their margin of control, even as Democrats mount a concerted effort to win close races and pull out a few upsets to regain control of the House for the first time in a decade.

With a shrinking number of truly "undecided" voters, the focus for both parties has shifted to swing state voters and intense efforts to ensure that traditional supporters go to the polls. The 2004 elections will likely turn more on which party successfully "turns out their base" than on winning over undecided voters.

The outcome of these elections will certainly have an impact on BSCAI member companies, as issues such as tax policy, worker protections, overtime and immigration are all on the election year agenda for Presidential and Congressional candidates. While BSCAI has made a practice of not endorsing specific candidates for office, we encourage all members to learn about their local, state and federal candidates, the issues at stake in the election, and the candidates' positions on the issues of importance to BSCAI members.

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## Presidential Election

With all polls indicating a close race, the 2004 Presidential election may rival 2000 as the closest in history. Both candidates have spent considerable time in “swing states” such as Ohio, Pennsylvania, Michigan, Arizona, Florida and Missouri in an effort to energize their supporters and tip the electoral balance in their favor. Despite both candidates’ calls for a campaign of optimism, partisan attacks and negative ads have ruled the airwaves in many of these key states.

While a major focus of the campaign has been the on-going conflict in Iraq and the threat of terrorism at home and abroad, both President Bush and Senator Kerry have outlined positions on domestic issues such as immigration policy, tax and workforce issues. President Bush has proposed a series of changes to labor policy, including “flex time” initiatives that would permit greater use of “comp time” rather than straight overtime payments. Senator Kerry has focused on tax credits for employers keeping jobs in the United States, as well as ensuring overtime protections for workers. Both Bush and Kerry have also developed policy positions on immigration reform to allow U.S. employers to fill vacancies more rapidly.

## Senate Races

Both major political parties have made control of the Senate an area of primary focus, pouring considerable financial resources into key races in Florida, Alaska, Washington, Colorado, and select other states where competitive races are underway. Several key retirements by Democratic Senators in southern states create an opportunity for Republicans to widen their majority in the Senate, but a series of close races in the Midwest and Western states have given Democrats reason to believe that control of the Senate, even if by a narrow margin, is within their reach. With one-third of Senate seats at stake in 2004, the legislative agenda for the 109<sup>th</sup> Congress in 2005 remains an open question. Key issues in the Senate races include approval of judicial nominees, tort reform, as well as the key issues facing individual states. The impact of the national Presidential contest will also impact Senate races, as candidates seek to use voters’ views of the President and his policies (both positive and negative) to their own advantage at the polls.

Of the 34 Senate races this year, eight are expected to be very competitive, including Alaska, Colorado, Florida, Louisiana, North Carolina, Oklahoma, South Carolina, and South Dakota. Democrats hold five of these seats and three are held by Republicans. In order to seize control of the Senate, Democrats would need to win at least six of these

eight competitive seats if Kerry wins; seven of the eight if he does not which is a truly a tall order. Republicans are strongly targeting the three-term Senator and Democratic Minority Leader Tom Daschle of South Dakota who is facing former Republican Congressman John Thune, who in 2002 came within 524 votes of ousting freshman Senator Tim Johnson.

## House Races

Each of the 435 Members of the U.S. House of Representatives faces reelection this year, but as with the Senate only a small percentage of those races are truly competitive. There are approximately 30 races to watch throughout the country, including 5 Republican targeted Democratic held seats in Texas. Mid-year vacancies in South Dakota and Kentucky resulted in special elections that were closely watched by the leaders of both major parties. Democrats won both contests in Republican-held districts leading some political pundits to anticipate further gains in the House for Democrats in 2004. Nevertheless, the small number of competitive races will make it difficult for Democrats to secure more than the 11 seats necessary to regain the majority. Local issues and personalities will dominate most House races, while all candidates will seek “coattail” victories as a result of the Presidential election.

## Gubernatorial Races

Eleven states will hold gubernatorial elections in 2004 — six of those seats are currently held by Democrats, while five seats are held by Republicans. Two Democratic governorships — in Indiana and Missouri — are in serious trouble, and another — in Washington — is a toss-up. There are also some close contests in several of the Republican held governorships on the ballot this year, most notably Utah and Montana. Republican incumbents in New Hampshire and Vermont could also find themselves in tight races in November.

## Election 2004

As with the Presidential race, Congressional and Gubernatorial contests in key states will be closely contested and carefully watched by political leaders in both parties. In the weeks leading up to the November 2 elections, countless polls will be conducted, television ads run, and targeted mailings sent — all in an effort to shape the outcome in November. The Government Affairs team will update BSCAI members on the election outcomes and expectations for key legislation in next Congress as the landscape becomes more defined after the November elections.

## UPCOMING EVENTS

15th Congress of the World Federation of Building  
Service Contractors

**Montreal, Canada**  
**September 26-29, 2004**

Visit the WFBSA website at [www.wfbsa.org](http://www.wfbsa.org) and the web-  
site at [www.opus3.com/wfbsa](http://www.opus3.com/wfbsa) for more information.

BSCAI Annual Convention and Trade Show

**Orlando, Florida**  
**April 1-5, 2005**

Visit the BSCAI website at [www.bscai.org](http://www.bscai.org) for more  
information or call 703-359-7090.

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