

MNC'S IN EMERGING MARKETS

COMPANY STRATEGY SESSION



BWI • BHI • BTI • IBB • ICM
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Presentation by Piet Matosa, BWI Africa & Middle East President

MNC'S IN EMERGING MARKETS: **COMPANY STRATEGY SESSION**

OUTLINE OF PRESENTATION

1. Context of MNC's In Africa & ME Region
2. Towards an IFA with WBHO
3. The challenge of Chinese MNC's
4. Organising strategies



CONTEXT OF MNC'S IN AFRICA & MIDDLE EAST REGION

1. Over the last 10 yrs., six of the world's fastest growing economies were in sub-Saharan Africa.
2. Over the next 5 yrs., Congo, Ethiopia, Ghana, Mozambique, Nigeria, Tanzania and Zambia will grow at an average of 7.2% annually.
3. Africa holds 90% of world's platinum, 50% gold, 70% colton, and 30% diamond reserves.
4. Foreign MNC's have acquired land the size of France bio-fuels production creating food insecurity
5. One in every four new barrels of oil is being discovered in Africa and in 2007 US oil imports surpassed the Middle East.
6. Infrastructure spending in 2010 was \$56bn – up 44% to support economic growth.
7. There is a New Scramble for Africa in which the worlds MNC's regardless of origin – Northern or southern MNC's (BRICS) will pursue profit at the expense of workers and society.



TOWARDS AN IFA WITH WBHO

MNC	GUF	Headquarters	Main Activities (P)	Possible Africa Scope
CDF Suez	BWI / ICEM / PSI	France	Energy & Utilities	Algeria, Egypt, Ivory Coast, Libya, Mauritania, South Africa,
Impreglio	BWI	Italy	Construction	Algeria, Libya, Nigeria, South Africa
Italcementi	BWI	Italy	Construction	Egypt, Gambia, Mauritania, Morocco
Lafarge	BWI / ICEM	France	Construction	Kenya, Morocco, South Africa
Royal BAM	BWI	Netherlands	Construction	Ghana, Libya, Tanzania (Projects also in South Africa, Cameroon)
Staedtler	BWI	Germany	Office, School and Art Supplies	Affiliate - South Africa; Business Partner - Algeria, Egypt, Libya, Morocco, Tunisia
Wilkhahn	BWI	Germany	Furniture manufacture	Morocco, South Africa

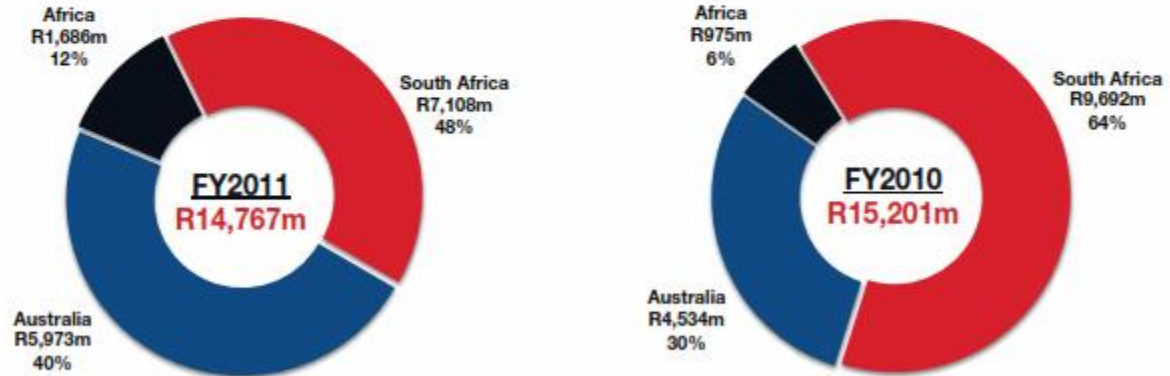
BWI has 7 IFA agreements with European MNC's that have links with Africa.

WBHO is a South African MNC that is internationalised



SEGMENTAL ANALYSIS

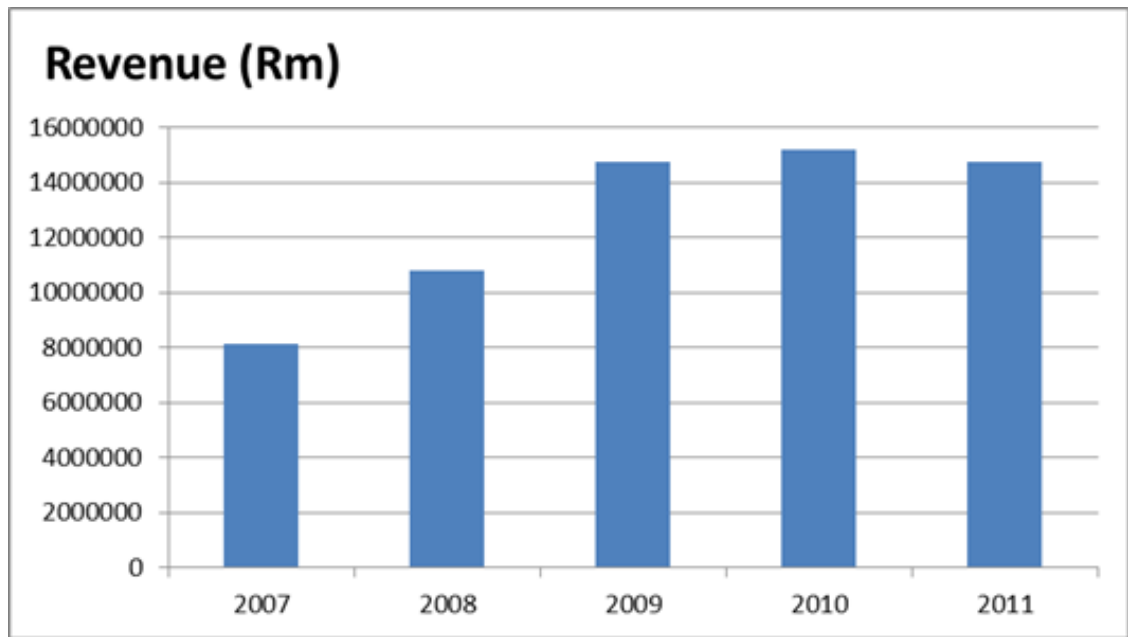
GEOGRAPHIC SPREAD



WBHO FINANCIAL HIGHLIGHTS

1. WBHO is active in Africa and Australia.
2. Project income growth in Africa doubled
3. Active in South Africa, Mozambique, Malawi, Zambia, Botswana, Sierra Leone, Ghana





WBHO acknowledges the right of employees to freedom of association, and actively participates on various national and industry level bargaining forums.

WBHO has 11 779 employees, of which 5 894 are permanent.

The level of unionisation within the WBHO group is minimal with combined union representation levels of below 25%.

BWI has established shop-steward regional network in WBHO.

An IFA could be superseded and based upon Project Implementation Agreements (PIA's).



CHINESE MNC'S

China State Construction Engineering Company; China Development Bank; China Henan International; China Jiangsu International; China Jiangxi; China Exim Bank; China Nanjing Construction ; China Communications Construction; Sinohydro; Zoomlion (construction machinery)

90% of orders are from Africa, Middle East & Asia

BWI affiliates have been able to recruit employees
Social dialogue has taken place with companies in Namibia
Chinese MNC's have been forced to comply with legislation in Ghana.



ORGANISING STRATEGIES

1. World Cup campaign model (organising, research, negotiating, campaigning) could be used as framework for organising.
2. Organising of sub-contracting workers are key but need to develop “sustainability strategy”.
3. Shop steward MNC networks are crucial to ensure democratisation of IFA agreements and to ensure local content.
4. A proactive approach to IFA’s and national agreements with (Chinese) challengers is paramount
5. MNC’s will create instability in region and therefore BWI needs allies to defend workers and community interests.



GLOBALISATION



3RD WORLD

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