



The Coca-Cola Alliance Circular

Background & Analysis for Coca-Cola Trade Unions worldwide

1/2010: In this issue

- Coca-Cola ABI workers in South Africa need your support
- Bits and Pieces: Closing the gaps: Poland // IUF Coca-Cola and Pepsi project focuses on organising // New Coca-Cola Alliance leaflet for download // Survey on working conditions ongoing // Coca-Cola workers in Germany extend agreement, negotiate employment security // IUF starts Pepsi workers network // SIPTU message on international support
- Results from the last Atlanta meeting
- Amidst economic turmoil, Coca-Cola profits do well. What about the workers?



South Africa: Coca-Cola ABI workers fight against casualisation and labour brokers

Bits and pieces:

Closing the gaps: Poland

While Coca-Cola in Eastern Europe for many years had almost no union organisation, in Poland now, already the second location has started organising: <http://www.iuf.org/drupal/?q=node/281>.

IUF Coca-Cola and Pepsi

project focuses on organising

Starting 2010, the IUF global TNC project has been refocused to include not only Coke but also Pepsi. The project will continue to build global union networks in both companies, support unions in struggle and focus on supporting organising initiatives.

You can contact regional coordinators [here](http://www.iuf.org/drupal/?q=node/215):

<http://www.iuf.org/drupal/?q=node/215>.

New Coca-Cola Alliance leaflet for download

The Coca-Cola Workers Alliance is our tool to organise, fight union rights violations and casualisation worldwide. This leaflet explains the idea of the Alliance to coworkers and other union activists. You can download it in English, German, French, and Spanish from <http://www.iuf.org/drupal/?q=node/280>.

Since December 22, 2009, workers at ABI, the Soft Drinks division of SAB Miller in South Africa, are entrenched in a full-blown strike about wage increases, working time, and against the increasing use of casual work relationships and labour brokers. FAWU, the IUF affiliate in South Africa organising beverage workers, in the second week of January broadened strike action to encompass Brewery workers and looks at including workers from other Coca-Cola bottlers in South Africa.



On January 11, thousands of ABI workers led by Katishi Masebola, FAWU General Secretary, and COSATU General Secretary Zwelinzima Vavi marched through Sandton near Johannesburg to hand a memorandum over to ABI management.

What you can do to support South African ABI Coca-Cola workers:

- All Alliance affiliates should send a message of support for FAWU's demands to ABI management. More information is available from the Alliance secretariat at cokealliance@iuf.org.
- Leave a solidarity comment on the [iuf.org/ccww](http://www.iuf.org/ccww) site to show your support for the striking workers.

Casual employment and employment security dominate agenda at Atlanta talks

On Nov. 11-12, 2009, the regular IUF/Coca-Cola contact group meeting took place in Atlanta, USA. Main topics of the meeting included trade union rights issues, abuse of casual employment relationships, and excessive outsourcing from Morocco, the Philippines, Pakistan and the US.

Special focus was again dedicated to questions of casual employment in India where both parties are involved in a discussion to reduce the excessive levels of temporary and agency labour. Victimisation of G.V.Radha Krishna, one of the union activists involved in the negotiations was successfully halted through the Atlanta talks.

Both TCCC and the IUF reiterated their commitment to try engage the bottlers and encourage them to support the creation of a mutually beneficial EU-wide dialogue platform. Concerning the ongoing discussion about an agreement on job security in Germany, TCCC expressed its willingness to respect and comply with the codetermination process in the forthcoming negotiations.

The two parties also continued discussions about a global agreement between the IUF and Coca-Cola, aiming at reaching a common wording to extend the Joint Statement signed in 2005. The next meeting is scheduled for March 23/24, 2010.



Survey on working conditions

The IUF is currently conducting a survey on terms and conditions of Coca-Cola workers worldwide. The results will be available at the end of January. For more information, write to cokealliance@iuf.org.



SIPTU message to international supporters

The bitter industrial conflict at CCHBC Ireland was ended in late October. In a message thanking all international supporters, SIPTU said "The messages of support from our friends in Russia, Croatia, the U.K, Germany, Austria, Nigeria, The Philippines, Canada, and the USA all were read out to the Union Members on the picket lines around the Country during the strike. This sense of solidarity sustained Union Members and was a source of great pride in that our members knew that they were not alone in the struggle...Your help in our struggle will not be forgotten."



IUF starts Pepsi Workers network

Terms and conditions in the beverage industry can be improved only if all companies in the sector are well organised. IUF affiliates are therefore starting a Pepsi workers network, which will be developed in close cooperation with the Coca-Cola Workers Alliance. Please inform your colleagues at Pepsico to get in contact with us at <http://www.iuf.org/pepsico-workers>.

Amidst economic turmoil, Coca-Cola profits do well. What about the workers?

Despite the world economic crisis, Coca-Cola operations are reporting increased profits for the first 6 and 9 months 2009 despite falling revenue. While some of the positive figures result from lower fuel, energy and raw material prices, a huge chunk comes from cost-cutting pressure on the companies employees.

Coca-Cola Amatil, the anchor bottler for Australia and a number of Asian countries, reported a 10.4% profit growth over the first half of 2009 mainly thanks to developments in Australia and Indonesia, quoting increased consumer spending on its products as a reason, but also savings of 3 mln Australian Dollars due to "restructuring". Amatil was able to increase volumes by 3,9%. But profits grew even stronger and reached 158 mln USD in the period.

Coca-Cola Hellenic, based largely in crisis-ridden European countries, reported a slight decline in profit for the first 9 months due to declining sales, but still earling over 400mln EUR. However, operating margins in the third quarter improved by 109 basis points as a result of price increases, lower raw material costs and a brutal restructuring and cost saving program. At the same time as slashing more than 3000 jobs within a year, the company has started an ambitious share buy back program spending more than 10 mln Euros buying its own shares. Moreover, CCH shareholders decided on October 16 to return themselves 548 mln Euro from the companies reserves and new debt! Workers pay, shareholders profit from the crisis.

Coca-Cola FEMSA in Latin America reported a very good third quarter which compensated net income reduction in the first quarter due to organic growth, depreciation of the Peso, and acquisition of Minas Gerais and Brisa bottlers and resulted in favorable overall figures for the first 9 months 2009, with total sales volumes up 8.1% to 1,776.8 million unit cases (about half of which due to acquisitions), and an increase of 19,6 % to 444 mln USD in net income as compared to the first 9 months 2008.

Even crisis-ridden American and European bottler Coca-Cola Enterprises reported results better than expected by analysts. In the first 9 months, the company achieved 621 mln USD net income. While North American sales volumes declined, "price and package initiatives", along with "efficiency and effectiveness initiatives" saved the day for CCE. In Europe, volume growth added to the positive result: despite negative currency impacts from the European business, operating and net income grew. At the same time as announcing strong cost control and further restructuring efforts, CCE increased annual and quarterly dividends to please their shareholders.

Last but not least, The Coca-Cola Company itself, although reflecting the positive results of bottlers in volume increase, was hit by adverse currency developments. Thus, although volumes increased in key markets in Eurasia and Africa, Latin America and Pacific, operating income decreased. But net income increased and reached 5,328 bln USD as compared to last years 4,869 for the first 9 months. TCCC emphasizes that a large chunk of the positive results is due to "cost-cutting measures", which in this case are to deliver more than 500 mln in annual savings over the next few years.

The economic crisis, thus, has had mixed results for the Coca-Cola system. While loosing volume in some categories and certain crisis-struck countries, the downturn also means a reduction in cost for raw material, transport cost, and energy.

However Coca-Cola and its bottlers are using the crisis to force harsh cost-cutting measures on their employees. In a time when the downturn in customer demand is one of the biggest threats for a quick recovery of the economy, the companies in the Coca-Cola system, by relentlessly forcing "anti-crisis-measures" (for the companies) down the throat of workers, in their own operations contribute to severing the crisis by cutting into workers purchasing power by forcing redundancies and/or lowering real wages in many cases.

The Coca-Cola Alliance Circular is a regular publication of the Global Coca-Cola Workers Alliance produced by the International Union of Food and Allied Workers IUF. For any questions, comments, and contribution, please contact Gisela Neunhoeffer at gisela.neunhoeffer@iuf.org. More news and links can be found on the Alliance website at www.iuf.org/ccww. IUF, 8 Rampe du Pont Rouge, CH1213 Petit-Lancy, Geneva, Switzerland