

'We are not merchandise'

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Workers at Al-Nasr plant refuse to be "sold" to Orascom, reports [Faiza Rady](#)

Located 10km south of Cairo, on the west bank of the Nile in Manial Shiha, Giza, the International Company for the Manufacture of Boiler and Pressure Vessels -- formerly known as Al-Nasr Company -- specialises in the design and manufacture of boilers, pressure vessels, condensers and heat exchangers used, among other key industrial projects, in electric generating and nuclear power plants.

The plant occupies 35 feddans of land that extends to the banks of the Nile and includes its own harbour. In recent years, with soaring real estate values, the site has become an increasingly attractive proposition for high-profit development. Khaled Shatta, the plant's owner, agreed in February to sell the site, and in effect its workforce, to Orascom Construction Industries (OCI) in a deal worth LE75 (\$13.6) million. OCI is owned by Nassef Sawiris, one of Egypt's most prominent businessmen.

Following the February sale OCI promptly announced plans to build a new steel manufacturing plant in the industrial zone of Ain Al-Sokhna, near Suez, in addition to expanding the capacity of its existing steel factory in the satellite city of 6 October.

After clinching the deal with Orascom, Shatta said he planned to raze the plant and build a luxury tourist resort. He also announced the transfer of 750 workers, currently employed by the company, to various OCI plants by the end of September 2008. The workers say that the non-transparent sale of their company, followed by news of a non-negotiated and quasi-forcible transfer to another firm has left them in limbo, with their livelihood threatened. "We are asking the press to expose what is happening to our company and our jobs. We are living in daily fear of the future," read one urgent e-mail message sent by Al-Nasr workers to the media. Shatta was not available for comment.

An attempt to visit the plant on Saturday was like trying to gain access to a high security zone. At the gate a friendly but cautious guard indicated *Al-Ahram Weekly* and the German TV station *Deutsche Welle* should wait outside for "security clearance". "Saturday is the weekend," he explained, "and most workers have the day off. There is only a single shift working."

We wait for a while and then receive clearance to enter, but only as far as the guard's office located near the gate. The guard tells us security has declared the plant off limit to the press. Denied access and unable to film, *Deutsche Welle* leaves.

Across from the no-go zone a large group of workers gathers at the entrance of a building. All they can do is watch from a distance. Management has effectively silenced the workers.

Following some negotiations we are finally allowed to meet with the plant's local union representatives. "We are speaking to you on condition of anonymity," says one. "We have been continuously threatened since the plant was sold and we don't want to lose our jobs."

It is clear that the workers fear reprisals and have received strict guidelines about what to say to the press.

Their fears are not unfounded. Since 1994, when Al-Nasr was privatised, sold first to Babcock & Wilcocks, and then to Shatta in 2001, only 228 of the plant's original 1,187 employees have remained. They make an average of LE600 (\$110) a month and have health and social security benefits. The rest, a total of 959 employees, lost their jobs as a result of a combination of lay-offs, early retirement packages and a wave of resignations under duress.

"Shatta used every trick in the book to get rid of as many workers as possible and replace them with cheaper temporary labour," says Hassan (not his real name). "He transferred a group of women workers to 6 October city in the hope they would resign. He was well aware of the fact that the long commute would disrupt their family lives." The majority of women did resign.

In another attempt to push workers into resigning he transferred a group of 100 employees to a neighbouring farm.

"Imagine, he sent skilled technicians to work as farm hands because, he said, 'they were needed there'," says one worker.

The aim, they say, was to maximise profits by trimming down the workforce and replace tenured workers with temporary ones.

"Shatta did well," says Hassan. "He succeeded in reducing the workforce from the original 1,187 to the current 750 -- 522 of those recently hired workers are either on short term, annual contracts, or they are temps, employed as day labourers. The latter have no job security, no health and social security benefits and no paid sick days or holidays. Our action against Khaled Shatta is about saving the company, our jobs, and our livelihood."

The workers are suing Shatta for breach of contract. The legal basis of their claim is the 1961 incorporation of Al-Nasr as a public sector company serving "public utility and industrial development". This definition, say the workers, was retained in the 1994 sales deed which also stipulated that the estate remain intact and the plant's production line continue for at least 25 years. "That was 14 years ago. Planning to develop the estate for tourism and transferring production elsewhere is a clear breach of contract," says Hassan. "We are on the right side of the track, both legally and morally."

The workers say there are other compelling reasons to fight to preserve the company. "The plant has both national and regional significance, especially at a time when Egypt plans to develop nuclear energy. The production of boilers is an essential component of nuclear power plants. With the exception of one comparable plant in Israel, we are the only manufacturer of boilers and pressure vessels in the Middle East and North Africa."

In an effort to secure their jobs after the company was sold local union representatives appealed to the General Federation of Engineering, Electrical and Metal Manufacturers, a

branch of the state-controlled General Federation of Egyptian Trade Unions (GFETU). GFETU does not support industrial action and, many of the workers who have gone on strike over the past three years complain it has acted as little more than a government agent. The federation's only response to the workers' appeals so far has been to send a letter to the prime minister, the minister of investment and the minister of labour explaining the workers' legal case. No response has been received.

In line with the Economic Reform and Structural Adjustment Programme Egypt signed with the International Monetary Fund in 1991, the government has been steadily privatising the public sector. By 2005 the government had sold off 209 of the 314 public sector companies earmarked for privatisation either wholly or in part. The sale of the public sector has been accompanied by massive lay-offs, an end to job security and a downward spiral of wages and benefits.

Well aware of the stakes, the workers vow to continue the struggle. "If push comes to shove, we will stay here and fight for our livelihoods," says Hassan. "We are not merchandise to be sold on the market."