



## Intimidation and judicial harassment of workers and local community

 Alexandria Portland Cement Company (Titan)

 Egypt

 Cement

 IFC

Residents living near the Alexandria Portland Cement Plant had long complained about the factory, and how it blocked access to the sea and undermined the natural beauty of the culturally significant landscape. In 2002 when the plant's new owner, Blue Circle Industries, decided to establish a new production line less than ten meters away from residents' homes without acquiring a new license, opposition grew.<sup>1</sup> Neighbors noted a significant increase in fumes and dust, local children were becoming ill with respiratory diseases, and families were struggling to keep up with medical bills.<sup>23</sup>



Protest against the cement company

The new management also laid off many of the plant's permanent workers, replacing or re-hiring them as sub-contractors with less pay and benefits.<sup>4</sup> Residents and workers organized protests outside the factory gates, but were unsuccessful at getting management to address their concerns. After residents held their first press conference in the street, state security forces summoned several of the leaders and warned them against future public displays or agitation.<sup>5</sup>

In 2004, local residents formed the Coordination Committee for the Defense of the People of Wadi Al-Qamar (CCDPWG) to present their demands to company management and government authorities.<sup>6</sup>

Throughout the years, CCDPWG monitored and documented the environmental and health impacts of the plant and was successful in utilizing social media and communications to shed light on the suffering of Wadi Al-Qamar residents.<sup>7</sup> In 2007, a committee formed by the Egyptian Parliament to investigate the case concluded that emissions were causing "severe harm to the residents as well as nearby companies, their products, and their industrial equipment" and warned of a "severe danger to citizens' health."<sup>8</sup> The report recommended moving the plant further away from residential areas, but this recommendation was not implemented.<sup>9</sup>

After a series of acquisitions and mergers, Alexandria Development Limited (ADL), a subsidiary of Titan Group, acquired the plant in 2008, yet the situation for residents did not improve.<sup>10</sup> In 2010 several residents filed a lawsuit challenging the plant's license. The State Commissioner concluded that the "company is operating under a license that is legally invalid and should be canceled." The court, however, delayed its verdict, residents allege at the company's request.<sup>11</sup>

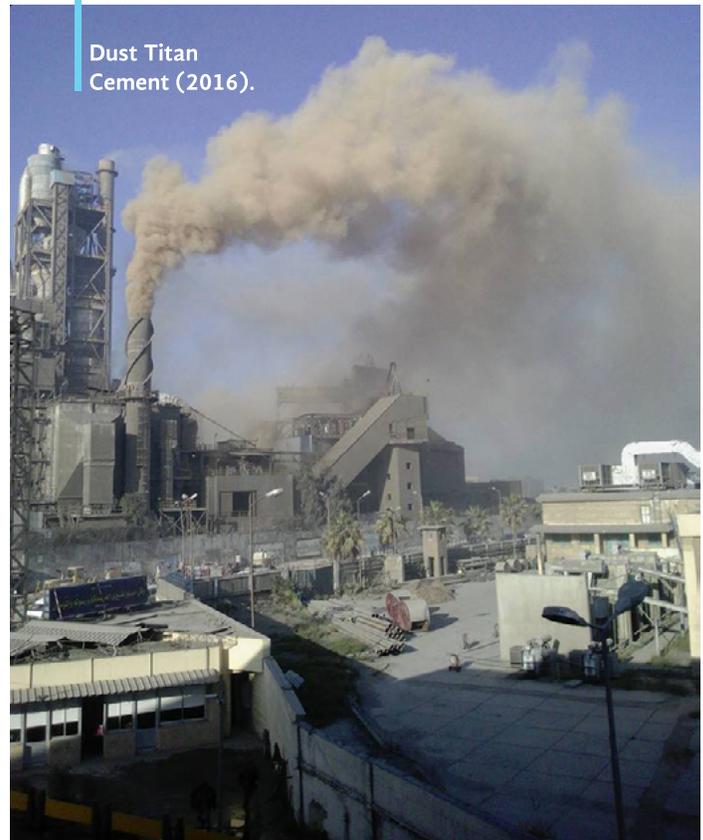
In November 2010, the International Finance Corporation (IFC) of the World Bank Group overlooked this extended history of complaints and irregularities and invested 80 million Euros to acquire a 15.2 percent stake in ADL. IFC's objective was to "support the company's expansion plans and the development of housing and infrastructure projects in Egypt", "improve environmental standards," and "secure current employment at APCC [Alexandrian Portland Cement Company] and generate new local employment opportunities."<sup>12</sup>

On the night of December 30, 2012, around 500 residents were protesting in front of the main locked gate of the plant when a fire started inside the plant's offices. Police intervened and forcefully disrupted the demonstrations and arrested a number of residents. The company accused 26 community leaders and

activists of sabotage. The protesters alleged that the fire was set by hired provocateurs who were seen to exit the building at the time of the fire.<sup>13</sup> The next morning the largest national state owned newspaper reported on the incident with a headline proclaiming that residents of Wadi Al-Qamar set fire to the company's buildings.<sup>14</sup> The accused leaders and activists were later released for lack of evidence.<sup>15</sup>

In the early morning of February 17, 2013, around 425 of the plant's sub-contracted workers were in the midst of a three-day sit-in to demand equal terms of employment with other directly contracted workers when the Egyptian Central Security Forces converged to disband the strike.<sup>16</sup> Police released dogs on the workers, forcing some to jump from the factory windows to escape. Around 150 workers were severely injured that day.<sup>17</sup> The authorities reportedly arrested 87 workers, later releasing 69 after family members blocked the roads to the plant in protest.<sup>18</sup> Eighteen workers were detained for 52 days before being released on bail. They were accused of forcibly entering the company's premises and holding employees hostage.<sup>19</sup> During these incidents, IFC did not speak out as a Titan shareholder regarding the mistreatment of workers or local residents. Replying to a letter from the Egyptian Initiative for Personal Rights (EIPR), IFC insisted that "Titan is in compliance with Egyptian laws regarding its operation licenses. The company is also in full compliance with Egyptian labor laws and regulations."<sup>20</sup>

In mid-2014, the Egyptian government gave permission to the cement industry, including Titan, to generate power on-site, using imported coal, triggering pollution concerns among workers and communities.<sup>21</sup> In April 2015, after making no headway through administrative and legal channels, CCDPWG and the workers filed a complaint with the Compliance Advisor Ombudsman (CAO) of the IFC.<sup>22</sup> ADL management rejected a CAO facilitated dispute resolution process, thereby moving the case toward a compliance investigation assessment.<sup>23</sup> In September of that year, however, the police report filed against the residents over the December 2012 fire, was reopened. Residents speculate



Dust Titan  
Cement (2016).

that the company used its influence to reopen the case at this specific time in an effort to intimidate them.<sup>24</sup> At the same time, the case filed against the striking workers was also active in the court system, and as a result, many of the complainants were concerned that they could face retaliation for cooperating with the CAO. Creative approaches had to be employed to facilitate the CAO's engagement with complainants and eventual site visit, and in July 2016, the CAO approved the case to proceed to a compliance investigation.<sup>25</sup>

In 2016, both residents and workers were acquitted of all charges. In June, the accused workers were exonerated for their sit-in activities, and in December, the Alexandria criminal court found no evidence that residents accused of arson were actually inside the factory buildings when the fire started.<sup>26</sup> The CAO investigation is ongoing as pollution complaints persist and workers have still not been reinstated in their jobs.<sup>27</sup>



24 Khaled Al-Amir, «رم قلا يداو» يلاه أ دض ارضح م ررحت «ناتيت» [“Titan liberates a document against the people of Valley Moon on charges of burning the plant”], وثيف ةب اوب, [Veto Gate], September 10, 2015, <http://www.vetogate.com/1805345>.

25 “Egypt / Alex Dev Ltd-01/Wadi al-Qamar,” Compliance Advisor Ombudsman (CAO), [http://www.cao-ombudsman.org/cases/case\\_detail.aspx?id=234](http://www.cao-ombudsman.org/cases/case_detail.aspx?id=234).

26 Sarah Nour, «م اع 22 ةارب نئاهر زاجتج ا ةمهت نم ناتيت», [“Workers from Titan Cement 22 acquitted of hostage-taking”], [The Arabian Egypt], June 28, 2016, <https://bit.ly/2KabT1H>; Nasser Sharqawi, «ةارب ةيمج ةارب», [“The innocence of all accused in the case of Titan Cement”], [Al-Masry Al-Youm], December 5, 2016, <http://ww.almasryalyoum.com/news/details/1052986>.

27 Phone interview with one of the workers’ leaders (name withheld) by Amy Ekdawi (consultant) on April 15, 2018.