

Produced by the

European Federation of Corrugated Board Manufacturers

FEFCO has over 50 years experience representing the interests of the corrugated industry, and we do this through a number of services to our members. We investigate economic, financial, technical and marketing issues of interest to the corrugated packaging Industry, analyse the factors which may influence our industry, and promote and develop its image. We give you access to information, activities and events, quality improvement tools, and last but not least, a networking platform. The various working groups allow our members to meet regularly with their peers to discuss, share and benchmark experiences. Through FEFCO you have access to a European and global network of companies, public sector organizations, and individual experts.

In this second issue of FEFCONNECT we report on the various activities we have been involved in, in the past three months, and on the recent issues which will have an impact on your business. The highlight, this quarter, is the Technical Seminar taking place in Nice on 20-22 April so please read on to find out about speakers, exhibitors and general information about attending the event.

Finally in order for this newsletter to serve you better we need your input so please send your news, articles, press releases, etc... to anne-sophie.duchene@fefco.org

Hope to see you in Nice,

Anne-Sophie Duchene

NEW APPOINTMENTS:



We are delighted to announce the appointment of **Ludwig Anckaert** as **Technical Director**. Mr. Anckaert will represent FEFCO

internally and externally in all technical aspects of the federation's activities, such as the production, converting and distribution of corrugated board. He will engage in lobbying activities and the promotion of the industry to all stakeholders, and identify new areas of future impact on the sector. Mr. Anckaert will be supplying technical support and information to FEFCO's members and will liaise with his technical counterparts in a number of sector associations.



FEFCO has also announced the appointment of **Anne-Sophie Duchene** as **Communications Manager**. In this newly created

role Ms Duchene will develop a strategy for all aspects of communications across the organisation, with a specific drive to raise awareness of the federation's work, and a view to improve the image and perception of corrugated packaging at stakeholder level and beyond.

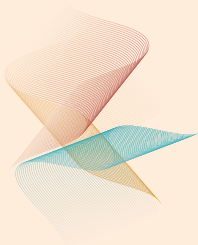
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13TH TECHNICAL SEMINAR ACROPOLIS CONFERENCE CENTRE 20-22 APRIL 2005

Following a 26 year-old tradition, FEFCO will bring together the international corrugated packaging industry during its 13th Technical Seminar, which will include:

- A conference programme featuring top specialists.
- Information platforms (called "Spotlights") in which a large number of FEFCO Sympathiser Members will participate
- An exhibition, which will give suppliers the opportunity to present their latest technical innovations to professionals from the industry
- An information area reserved for training companies FEFCO's Production Committee, under the chairmanship of Mr. Jan Svensson have chosen to focus on **Customer Demands, Plant Management, Corrugator and Printing**. Please see detailed program on p.2.



FEFCO

European Federation of
Corrugated Board Manufacturers

13th Technical Seminar

20th - 22nd APRIL 2005 - NICE

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LIST OF EXHIBITORS

ADALIS CORPORATION
AGNATI S.p.A.
ALLIANCE MACHINE SYSTEMS EUROPE
APEX EUROPE
ASITRADE
AVANTI CONVEYORS LTD
BCM TRANSTECH A/S
BGM BAHMULLER & GÖPFERT
BHS Corrugated Maschinen- und Anlagenbau GmbH
BOBST
CELMACCH ITALIA SPA
CERESTAR
CUIR CCM S.A.
DIETEC ASAHI EUROPE GmbH
DJA
DUCKER CORRAL AB
EMBA MACHINERY AB
ERHARDT + LEIMER CORRUGATED GmbH
ESKO-Graphics NV/SA
EWE
FEFCO
FOSBER SpA
FOSSALUZZA Srl

FRIESE GmbH & Co. KG
FURIC S.A.
INFRAMATIC APS
INMACO B.V.
JB MACHINERY INC
J & L COMPANIES
KAPPA PACKAGING Förenade Well
KIWIPLAN EUROPE Ltd.
KOENIG & BAUER AG
LATITUDE
LUBRICANT CONSULT GmbH
MARTIN
M. TORRES DISEÑOS INDUSTRIALES S.A.
MARBACH Karl GmbH
MARQUIPWARD UNITED
MEUWISSEN INDUSTRIE B.V.
MHI EQUIPMENT Europe BV
MINDA INDUSTRIEANLAGEN GmbH
M-REAL Corporation
MUHLEN SOHN
N.E. ENGINEERING srl
NORDSON PPC Business Group
OM PARTNERS n.v.
PAPIERFABRIK HAMBURGER SPREMBERG

GmbH & Co KG
PARA
RAPIDEX
RIEGER
ROBATECH AG
RODA
S.E.E.M.I.
SIGNODE CONTAINER PACKAGING SYSTEMS Europe
SIMEC GROUP
SIMON CONTAINER MACHINERY
SOFRAGRAF MOSCA France
SUN AUTOMATION Inc.
TALLERES SERRA SA
TANABE MACHINERY CO, Ltd
TAPPI
TECASA
TERDECA CMG Group
TEXO INDUSTRIES SA
TIEN CHIN YU MACHINERY MFG CO LTD
TIRUÑA S.L.
UNIVERSAL
WALKI WISA GROUP

FEFCO MEMBERS PROMOTE STACKABILITY AT FRUIT LOGISTICA 2005

Direct applications of FEFCO's Common Footprint standards CF1 and CF2 were on show on both PLAFORM (Spain) and BESTACK (Italy) booths. The displays included examples of palletisation, with stacked trays from any country or manufacturer, including several options for small and large tray pallet configurations. The benefits of the



standards: STACK MORE, STORE MORE, SELL MORE, were plainly clear to fruit and vegetable manufacturers and retailers.

FRUIT LOGISTICA 2005, which took place on 10-12 February in Messe Berlin, attracted 28,500 visitors from the fruit and vegetable trade of around 100 countries. A global range of products and services were presented over eight halls by 1,355 exhibitors from 64 different countries.



Dear colleagues,

Since the CITPA offices moved to Brussels, the Regulatory Affairs department of FEFCO has been more and more involved, in particular in product safety issues. As a matter of fact, FEFCO represents the **CITPA Product Safety Working Group Secretariat**, a role mainly developed by the Regulatory Affairs department and the experts of the *Regulatory Executive Body*.

The first meeting of the above mentioned working group took place on the 3rd of March at FEFCO offices. With high attendance, revealing the interest of the paper and board converting industry for product safety related matters, the new chairman of the group, Mr. John Swift¹, presented an ambitious and proactive strategy and the priorities of converters for 2005.

CITPA is reborn as a trade association representing the interests of the paper and board converting sector. CITPA's position at the point in the chain where it comes after paper manufacturing but before the packing/filling and retailing, could be considered, self evidently, to generate specific interests to defend. What CITPA wants is Product safety legislation which is proportionate to and does not detract from the competitiveness of the sector, whilst at the same time providing confidence in the safety of our products to customers and final consumers.

Within these parameters, the main issues for the current year will be the monitoring and positioning of the converting industry on the Council of Europe activities, the EU legislation, REACH, the Customer/Consumer issues, etc.

On the 3rd of March the newly re-established working group showed ability to submit proposals and to be at the forefront on subjects such as the interpretation² of the **Framework Regulation (EC) No. 1935/2004 on materials and articles intended to come into contact with food** and on the effect of the draft **Super-Regulation on Plastics** when covering multilayer.

As you will remember from the last FEFCONNECT issue, one of the core developments of the **Framework regulation 1935/2004** is the imposition of new **Traceability** requirements that will come into effect from 27th October 2006. In this context, FEFCO has produced a **Descriptive text of Traceability practices**³ that will be posted on the FEFCO website and has closely co-operated with other sectors of the paper and board packaging industry in order to submit a compendium of our practices to the European Commission⁴ as requested.

In the case of the **Plastics Super-Regulation**, CITPA took the decision to address the paper and board converters industry concerns to higher echelons of DG SANCO and DG ENTERPRISE and to the representatives of MEMBER STATES on product safety topics. CITPA considers it completely inappropriate and premature to legislate for paper and board as part of a *“multi-material for food contact”* within a plastics materials regulation when no specific measure exists for paper and board. **CITPA strongly urges the Commission and Member States to reconsider the Plastics Super-Regulation and withdraw its application to paper and board**⁵.

In another context/framework, I have very good news for the packaging industry: the revised **CEN Standards** on packaging have been published in the Official Journal of the EU, therefore establishing their status as EU harmonised standards. The meaning of this is that packaging that can be shown to be in compliance with the CEN Standards is presumed to meet the ESSENTIAL REQUIREMENTS set out in the **Packaging and Packaging Waste Directive 94/62/EC**.

In the *Regulatory Executive body* we believe in the importance of the standards and their promotion, and for this reason we plan to organize seminars at FEFCO to give you detailed information on what must be done to show compliance with the ESSENTIAL REQUIREMENTS.

And last but not least...**Nice Technical Seminar 2005!**

What about the ‘regulatory implications’ of our production and technical processes?

We will be glad to inform you in Nice on future **RAC Seminars** on some policies that prove to be essential for corrugated companies: technical, production and general managers should be fully aware of the principles of Product Safety regulations, the CEN Standards, the Recycling and Waste management techniques to be implemented, the future Road Charging policy, the Kyoto protocol requirements, etc.

Please remember that there are critical regulatory issues being currently debated at EU political and industrial level, and we will be delighted to exchange information and to learn from your expertise.

See you in Nice!

Carmen F.A.

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¹ Mr. Swift is Director of Regulatory Affairs at SCA Packaging and FEFCO-REX expert.

² FEFCO has issued a PRACTICAL RECOMMENDATION TO PRODUCERS OF CORRUGATED PACKAGING. Regulation (EC) No.1935/2004 on Materials and articles intended to come into contact with food. For more information please contact FEFCO Regulatory Affairs department.

³ TRACEABILITY FOR FOOD CONTACT PACKAGING: Template for the practices in the CORRUGATED and SOLID BOARD Industries. Descriptive text and Flow production diagram.

⁴ CODE OF GOOD INDUSTRIAL PRACTICES ON TRACEABILITY OF MATERIALS AND ARTICLES FOR FOOD CONTACT

⁵ The Super-Regulation. Draft COMMISSION REGULATION ... of ...relating to plastic materials and articles intended to come into contact with foodstuffs. Position of the International Confederation of Paper and Board Converters in Europe (CITPA)

→ SURVEY FEEDBACK: SUMMARY CONTINUATION

In addition to the synthesis, presented in the last Issue of FEFCONNECT, which mainly focused on the need of the industry for a piece of software to compare Corrugated vs. other types of transit packaging, in this issue we would like to present the main responses to a few side questions that were asked at the occasion of this survey.

As briefly mentioned in the previous issue (N°1), **Food Safety**, followed by **Legislation**, **Good Manufacturing practices** and **Environment** are topics often referred to by clients. Those topics are also perceived as being « very important ».

In most countries, **Food Safety** is the number one issue especially in Sweden, the UK and Italy. It covers issues such as heavy metals limit, “certifications”, recycled content, microbial analysis.

Good Manufacturing Practices are also a big concern in all countries but with an increased attention in France and Sweden. By order of importance, respondents spontaneously mention: on-time delivery, manufacturing process control, quality performances, ethic/morality, environmental management, good standard and hygiene.

Legislation is also considered as a key preoccupation particularly in Sweden, France and Italy. By legislation, respondents mean: “Certifications”, Composition of Board and inks, environment, green dot, recycling, hygiene, transport, LCA, quality warranty.

Finally **Environmental** issues are also strong in all countries but even more so in the UK, Sweden, France and Germany. Within the theme **environment**, customers often mention: “certifications”, recycling, inks

regulation, water recovery system and management of used packaging material.

As already underlined last time, “**Certifications**”, which is the subject spontaneously mentioned the most by customers is also indirectly mentioned in many other “side questions” that have been asked in this survey.

Apparently this term is used for quite a large range of “issues” and it would certainly be interesting to understand more precisely what are the real needs hidden behind it.

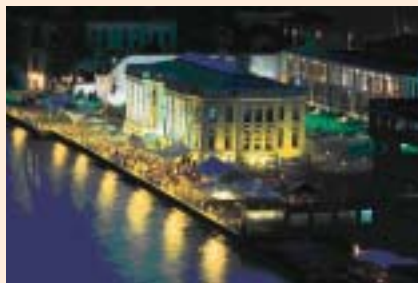
One interpretation could be that in such a regulated environment, more and more customers seem to be willing to work with “safe” suppliers who could provide a certain “guarantee” that their product is in compliance with all kinds of regulations.

→ MARKETING CONGRESS

FEFCO'S 16TH MARKETING CONGRESS WILL TAKE PLACE IN ISTANBUL ON 29-30 SEPTEMBER 2005

The land of sun and history, Turkey forms a bridge between Europe, Asia and the Middle East because of its geographical location and its culture, and Istanbul, its capital, is a natural gateway, offering a friendly welcome and genuine hospitality.

FEFCO will host its annual marketing meeting at the **Feriye Restaurant & Congress Centre**, with a programme focusing on “The courage to change: rethinking our business models”. The full programme will be available on our website shortly.



The not to be missed **Get Together dinner** will take place on **Thursday 29th September 2005** at the most vivacious waterfront residence in **Ortaköy: Esma Sultan Palace**, which was built for the daughter of Sultan Abdülhamit 1st.

Blocks of rooms have been reserved for Congress participants and special rates have been secured. These rates can be obtained only by booking through the Congress organizer (Vista) and by filling the hotel booking form available on our website (www.fefco.org), **no later than 3 June**.

FEFCO TRAININGS, PAST AND FUTURE:

The “Retaining Customers and Profitability in a Zero Growth Market” training session, which took place at FEFCO offices on 21 and 22 February, was tailor-made for Sales managers in the corrugated packaging industry - and other sales professionals with account responsibilities.

The third **GMP - Corrugated and Solid**

Board Good Manufacturing Practice Standard training took place at FEFCO offices on 17 and 18 March, lead by specialist trainer Ms. Helmie Keijsers from Improving Quality in the Netherlands.

Future specialist sessions include: **”The Key Account Manager as**

Intrapreneur” to take place on Thursday 26 and Friday 27 May and **”The Secrets of Building and Leading Winning Teams”** to take place on Thursday 24 and Wednesday 25 May. Make sure you book now if you want to attend these sessions, and please go to www.fefco.org for more detailed information.

JOINT ACTIVITIES:

FOREST BASED INDUSTRIES - FBI FORUM

Is image the key to competitiveness? The forest based sector met at the 2005 edition of the Forest Based Industries Forum, which took place on Tuesday 15 February 2005 at the Bibliothèq̃ue Solvay in Brussels, to explore the question. FEFCO was represented at FBI through CITPA (International Confederation of Paper and Board Converters in Europe).

The Forum, which attracted key players in the industry as well as policy makers, also marked the launch of a powerful document entitled “The truth about the forest based Sector”. The publication reiterates, amongst other arguments, three very important aspects of the industry and its output: **Renewable, Recyclable, and Responsible.**



A carton, wood and paper art exhibition took place on 14 February, together with a cocktail organised at the European Economic and Social Committee. The event attracted a lot of attention with its display of jewelry, garments, furniture and other examples of art and design using wood and paper based materials.





ENERGY: A PERMANENT ISSUE FOR THE INDUSTRY.

In the past years it has become absolutely clear that greenhouse gases influence the earth's temperature with all the negative and sometimes frightening effects attached to it. For that reason the European Union has signed the Kyoto protocol and develops initiatives to reduce emissions. The allocation of emission rights to industries that consume great quantities of energy and hence emit huge amounts of CO₂ (like power plants, see picture) is one of these initiatives.

The first phase of the scheme will take effect on February 1st, 2005.

Another initiative is road taxing. By 2008 the EU wants to start charging for the use of motor roads for trucks over 7.5 tons. These and several other initiatives should lead to a more sensible use of energy sources and a reduction in pollution and emissions with the aim to keep our planet in good shape.

Beside the beneficial environmental effects of the initiatives there are also economic consequences on the industry, notably an increase in costs.

Obtaining emission rights goes hand in

hand with higher energy costs and road taxing as such will have an important effect on transportation costs. Ultimately these costs will affect prices of raw materials (paper), finished products, competitiveness, market share and bottom line.

In the past few months we have also seen a rapid rise in the price of primary energy, that is to say oil. Although the Euro/dollar exchange rate has slightly dampened the rise, it can be felt by many.

While specialists find it difficult to predict what the price of oil will be in the future, everyone agrees that a rise in demand and a reduction in availability will make oil a scarce resource, more expensive than we have known it to be until now.

ENERGY IS RAPIDLY BECOMING A SERIOUS FACTOR IN PRODUCTION COSTS.

We all know that the production of paper is an energy intensive activity. Fortunately paper mills already use a lot of energy from renewable sources (like wood). What's more, the production of corrugated board requires lots of energy. The Life Cycle Database of FEFCO/Groupement Ondulé/ECO shows

that for the production of 1.000 kg of corrugated boxes about 8.8GJ are required, of which 11% has been used in the converting process.

In the results of a small survey that FEFCO conducted amongst some modern, European corrugated board manufacturers it became apparent that energy costs in corrugated making are currently between 2% and 3% of the total product costs (all direct costs *including* raw materials, labour, insurances but without amortization and depreciation).

The expected steep rise (set to double) in the costs of energy plus the taxes on emissions mean that energy is a factor to take into serious consideration.

It also became apparent that today not all corrugated board plants do take energy costs much into consideration. However to keep an edge over competitive materials our industry will be forced to find ways to reduce energy consumption.

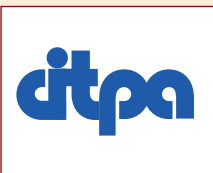
Equipment producers have an important responsibility here. They will have to find ways to drastically reduce electrical take-up of their machines. At a recent meeting at FEFCO with equipment suppliers, the suppliers were challenged to reduce energy consumption by 35% in 5 years time (at identical or better performance).

Much more could also be done regarding auxiliary materials: new approaches in corrugated making, new quick drying inks, glues that can be dried at lower temperatures.

Our industry is entering an interesting new technological phase with environmental and of course economical goals.

Wim Hoebert
Secretary General, FEFCO

NEWS FROM THE INTERNATIONAL CONFEDERATION OF PAPER AND BOARD CONVERTERS IN EUROPE



Following the move of the l o b b y organization from Frankfurt to Brussels in

January 2005, and the appointment of Dr. Kevin Bradley as new secretary general, CITPA has started to make some progress towards adjusting its offer to the needs of its members.

CITPA's mission is to promote the benefits of paper and board converted products while ensuring the development of a regulatory framework consistent with these goals. CITPA will focus, at an EU level, on the protection

of goods, hygiene and food safety, transport and logistics, consumer information and recycling and recovery of used packaging and paper products.

CITPA participated actively in the organization of the Forest Based Industries Forum (see article p.2) and in the creation of the document entitled The Truth about the Forest Based Sector.

CITPA will cooperate closely with member associations and national federations as well as with other key forest-based industry sectors, in order to increase the effectiveness of its lobbying and to better utilise resources.

CITPA will work towards ensuring that EU public policy and legislation in the environmental, product safety and economic and social fields contributes effectively and efficiently to the sustainability and competitiveness of the European paper and paperboard converting industries

The confederation will also strive to ensure recognition for the sector's commitment to sustainable development through resource protection, continuous environmental improvements within the value chain and efficient and effective recovery and recycling of its products at the end of their life.

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