



Produced by the European Federation of Corrugated Board Manufacturers

Istanbul

FEFCO

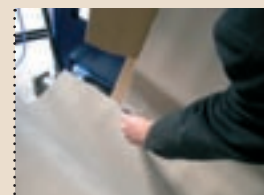
MARKETING CONGRESS

29-30 september 2005



Country Profile Czech Republic

The Czech Federation focuses on environmental education



Ultrasound bonding

A different way to make corrugated

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ANNE-SOPHIE DUCHENE
COMMUNICATIONS MANAGER, FEFCO

Editorial

This fifth and special issue of FEFCOConnect is dedicated to FEFCO's 16th Marketing Congress, which took place at the end of September in Istanbul, Turkey. If you were not able to attend you will find, in pages 5 to 9, abstracts of the main presentations, reports and pictures of the various social events, results of the participants' survey and conclusions.

However a lot of other events are taking place which could have an impact on our industry. The Avian flu outbreak for example is causing rising concerns in Europe and all stakeholders are trying to find solutions to counter the spread of disease. FEFCO thought that it was important to look into the issue of the transport of live birds in line with the threat of infection. As we know live birds are normally transported in re-usable crates although for years these have been identified as a possible health hazard.

Safety is also the basis for the Good Manufacturing Practice standard launched by FEFCO and ESBO in 2003 and which FEFCO has been promoting strongly in the recent weeks. Attending the ANUGA food fair and EUREPGAP conference with a stand FEFCO staff have been handing out leaflets and explaining the benefits of the standard to retailers, packers, food producers, standards agencies, and directing people to the www.fefco.org/gmp website.

National associations have been extremely busy too since September (p 10) with new legislations, competitions, market developments and health and safety issues, and so have our international partners (p11).

Until the next FEFCOConnect, sincere best wishes to all of you for the year to come.



Country Profiles Czech Republic



PETER HORÁK
CHAIRMAN



PETRA JAROSOVA
SECRETARY GENERAL

The Czech Federation of Corrugated Board Manufacturers consists of the five biggest manufacturers of corrugated board present on the market in the Czech Republic. It was established in 2000 after separating from an association with the Slovak Republic. Obligatory rules, whose content is accessible to the public, manage all members.

The federation promotes the interests of the sector with the line of business on a professional and national level – economic system of the Czech Republic. It provides professional statements on proposed legislation, educates new specialists and tries to help to develop the sector. The Czech Republic has experienced permanent growth in both production and consumption of corrugated board in the last years.

The federation is very active in Czech society. First of all it tries to increase positive attitude to packaging made of corrugated board by the general public, to improve the image of the sector and inform in the area of ecology. Regular communication with journalists is commonplace. Thanks to that the federation gets coverage in the media to promote its activities as well as the advantages of using corrugated board packaging.

The National Federation of Corrugated Board Manufacturers approached the general public at the end of 2003. One million people (one in ten citizens) were given a practical mobile phone stand/holder made of corrugated board. The stand was provided with accompanying information about the federation and

especially about corrugated board and its undisputable ecological advantages.

One of the missions of the Czech federation is to contribute to environmental education. The federation under the auspices and awareness of the Ministry of Education arranges excursions to its member plants all over the country for students of primary and secondary schools. Every participating group also gets a film about corrugated board packaging production. This film was prepared especially for this project by the Czech federation. There is big interest from the side of schools to participate in this unique project. This project was completed in 2004.

The Federation of Corrugated Board Manufacturers is not working only with students and adults. Third class pupils of primary schools in the Czech Republic at the age of 7-8 were given corrugated board sheets with Christmas decorations at Christmas. One hundred primary schools who replied the fastest to the federation's appeal took part in a competition for the best decoration. The children's decorations made of corrugated board were surprising and school classes were competing in originality. This project is running since 2003. The Czech Federation is planning similar activities leading to the popularisation of corrugated board packaging also in 2006.

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Ultrasound bonding : A new way to make corrugated



On 22 September the FEFCO marketing/communication committee visited the workshop of UMG in Neustadt and der Waldnaab, Germany.

UMG is a small company based in Neustadt, Germany, developing a single facer that uses ultrasound to physically bond the liner and the fluting together. With this process UMG is defying the idea that corrugated should be chemically glued together with glues for example based on starch.

During the 2005 FEFCO technical seminar in Nice the process was first presented to the corrugated community and was received with a mix of awe, doubt and disbelief but anyway triggered rising interest.

Simplicity and low energy

At a time when energy is becoming a serious cost factor in the production process of corrugated all developments that could reduce costs will be wholeheartedly welcomed by our industry. The process as being pioneered by UMG is not energy intensive. The ultrasound generators can function with modest amounts of energy and the drives of the equipment are very simple.

UMG's managing director, Mr. Josef Gmeiner, and his technical director showed the group around. The most striking difference between a regular single facer and the ultrasound one of UMG is its simplicity: no steam lines, no glue lines, no radiation of heat! Just a tiny frame, housing the (standard) corrugator rolls and the connections to the mains and the operator panel.

Mr. Gmeiner explained that the test phase is practically over with two machines having been installed for commercial purposes. One of the machines has a working width of 250 cm, the other feeds a litho-laminating line. At this moment the last hurdles are being overcome and fine-tuning of the machines is taking place. There is no doubt however that this innovative and new process of making corrugated will take hold in the industry and will allow configurations that were previously unheard of.

According to the information from UMG the board seems to have higher strength than conventionally produced board due to the fact that the paper is not subjected to high temperatures.

The reaction of the various marketing specialists stemming from Hungary, Holland, the UK, Italy, France, Germany, Turkey and other countries was one of surprise. The simplicity of the equipment, both from a technical and an operational point of view, was, according to them the most striking feature.

Of course one started pondering what such a development could mean for our industry. Answers to that question remained shrouded in clouds however.

It will be interesting to watch what developments occur. For the marketing/communications committee of FEFCO the visit gave impetus to new thinking about the development of different business models that could be applied in our industry.

One thing is for sure, a corrugated plant based on ultrasound will miss its distinct smell of glue and steam.

Avian flu exposes health risks of re-usables



At the end of October the first proof was established that Avian flu had entered Europe. Since then European authorities have done everything possible to bring measures in place to prevent any further spread. Although wild birds are thought to have been responsible for bringing the disease into Europe, the transport of live poultry is one of major causes for the quick expansion of the affected area as experiences from Asia have shown.

Live poultry is normally transported from the breeder to the slaughterhouse in re-usable crates or cages made of plastic or wire mesh. These crates become contaminated with excrements and feathers and so form a source for infection at the next farm they reach. The risk is enormous: only 1 gram of excrements is capable of infecting a million animals¹.

Washing of re-usable crates has been considered the answer. After all, rinsing with (warm) water and the use of detergents and/or anti-microbials was thought to be sufficient for disinfection. This is not true however. Several studies have shown that salmonella or campylobacter contaminations were not being removed. In the case of the H5N1 Avian flu virus, washing will most likely not be adequate either.

According to the UK Food Standards Agency that commissioned studies into this subject, crate washing operations tend to save on heating, water, detergents and disinfectants for cost reasons, consequently making the results of washing processes very uncertain.

Plastic crates have been designed to pair the lowest possible weight with an optimal (stacking) strength. All plastic crates as a result of these requirements have a complex structure with all kinds of ribs, corners and voids that

can hardly be reached but yet contain dirt that could spread the disease.

You can easily see this for yourself at your local supermarket when you take a good look at re-usable plastic crates.

For this reason the European Food Safety Authority (EFSA) is not positive towards the use of re-usable crates and advises the use of new (single-use) crates or cages.

For breeders and meat distributors this means that they would rather revert to disposable crates in order to limit the risk for a spread of disease.

Single use crates made of corrugated or solid board offer a viable alternative provided that these crates will not end up in the used paper chain.

Corrugated or solid board crates used for the transportation of live birds must be incinerated after use so that possible contaminations contained are properly destroyed.

Incineration is environmentally friendly. It generates heat and is CO₂-neutral because the raw materials used (wood fibers) in the making of paper are all natural.

Even though general applicable comparisons of costs are difficult to make in view of the different situations, disposable corrugated cases and crates are certainly competitive. After all the handling, cleaning and transportation costs related to re-usable crates are considerable. When taking into consideration the savings in health care and additional safety measures which can be realized by the use of disposable crates the equation is very favorable for one-way corrugated.

This situation clearly shows that one-way packaging made of paper is far superior from a hygienic and public health point of view when compared to re-usable systems.

From an economic point of view one-way also has a great advantage when all stages of the life-cycle are taken into consideration. The extra transportation and washing at elevated temperatures as needed for re-use systems is a serious financial burden, exacerbated by the rising cost of oil. When looking at all the environmental draw-backs of plastic based re-use systems (like the use of huge quantities of clean water, the use of noxious detergents and disinfectants) it is very clear that reversals from re-use systems back to one-way packaging will become a regular event.

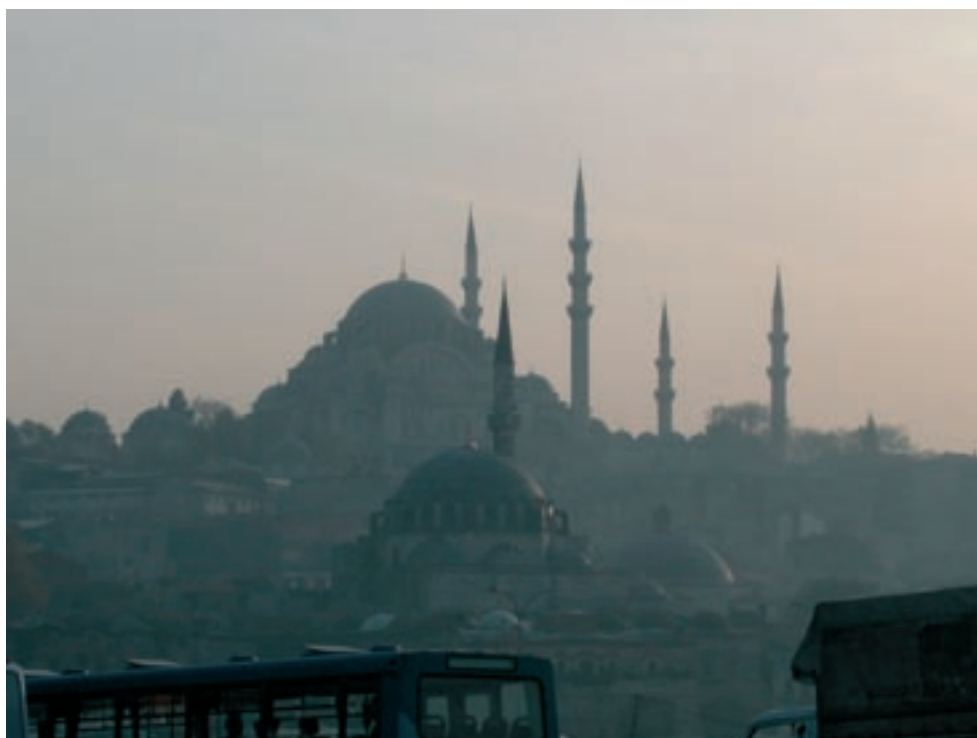
In Norway the supermarket operator Coop for instance recently reverted partly back to corrugated board for economic and environmental reasons.

Conclusions

- Washing of re-usable crates is not adequate to disinfect them of salmonella, campylobacter or other nasty communicable bacteria/viruses
- Use of re-usable crates for the transportation of contents that contains pathogens like live birds or meat products brings a serious public health risk
- One-way crates of corrugated or solid board are a viable alternative when hygiene is an issue
- One-way Corrugated crates should be strictly used once only
- Use of one-way corrugated helps avoid spread of diseases and so produces huge savings on public health costs.

¹US Dept.Agriculture

Special supplement FEFCO 16th Marketing Congress in Istanbul



The Marketing Congress which took place on 29-30 September this year at the Ferye Restaurant and Conference center in Istanbul, was attended by 180 industry leaders who considered it a great success. A good mixture of keynote presentations and workshops, the programme was regarded as very instructive as well as progressive.

The conference was opened by FEFCO Vice President **Berry Wiersum**, Member Management Board responsible for Packaging, Kappa Packaging, The Netherlands, and kicked off with a presentation, by **Fikret Özveren** (Cukurova-SCA Corrugated Group Coordinator, Turkey) on the rapidly growing, although relatively new, Turkish market. According to him the first industrial corrugated production started

in 1954 by government owned SEKA and at the end of the 70's only a couple of private producers had entered in the market. Production started to grow as well as exports at the beginning of 80's and today Turkey is the 6th biggest corrugated producer in Europe with over 1.7 million m² annual output.

Mr Ozveren's outlook on his national market is that it will continue to grow rapidly in the next few years with a general forecast as seen in the table below:

Years	1000s of tonnes	1000s m ²	Growth %
1995	466	812	
2000	718	1289	79,5
2005	1058	1890	78,6
2010	1590	2840	78,6
2015	2157	3850	78,5

Wim Hoebert, FEFCO Secretary General, took the stage to give an overview of the European Corrugated Industry. His presentation was also a gentle warning that statistics can tell a very different story depending on how the data is used and presented.

Corrugated in the Eyes of the Supply Chain

This 25 minute long film shown during the event highlighted a number of issues related to the use of corrugated in the logistics chain. It contains a series of excellent interviews about practical "transport packaging" issues met at all levels in the chain. The audience is taken to the premises of a tomato producer, a packer/filler, a distribution centre where individuals are giving real life examples of the challenges they meet while using corrugated. It is an invaluable exercise in pointing out the areas where corrugated manufacturers could, and should, concentrate their efforts. Professor Klaus Spicher, expert on logistics and packaging in Germany, summarized it well: creating added value is one thing, being able to sell it is another. In order to be profitable in the future, and corrugated has a big future, the industry needs to lead the way and start communicating with the whole chain. This video is available to FEFCO member who wish to order it.



Inspiring change, the future for smart sales & marketing

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This presentation was delivered by **Alain Goudsmet** sitting second from the right in the picture, Director of the Mentally Fit Institute (Brussels, Paris, Breda), coach of the elites of the Belgian federations of Tennis and Field Hockey, executive coach and trainer in Human Development, with more than 20 years of experience in the field of coaching individuals and groups under heavy pressure: managers, employees, athletes.

We can compare the life cycle of human beings with that of firms: birth, growth, maturity, development if there is a stimulus for transformation, then later, decline and death. Disruptions are necessary in order to develop. The dynamic of change first published by Prof Ilya Prigogine (Belgium), Nobel Prize Physics – 1972, describes four stages of the change process: Norm, Storm, Transform, Perform, or

to put it differently: stability, disruption, turning point, and new trajectory (which is a progression if the trajectory is better, or a regression if it is worse). The storm, or disruption is obviously a zone of discomfort, while the turning point is a time of awareness. Corporate storms can be for example acquisitions, mergers, restructuring, etc..

What are the major factors that influence the co-workers and the work climate in periods of 'STORM' ? The following and in that order:

1. Points of attention, measure and recognition by the leaders
2. Leaders' reactions to critical situations
3. Example and advice, given by leaders
4. Recruitment criteria, promotion, retirement et rupture
5. Ways of social, formal and informal life
6. Usual systems and procedures

7. Corporate culture and corporate structure
8. Arrangement of physical space / office environment
9. History and myths, linked to persons and important events
10. Institutional declarations, charters, credo, ethical codes

The dynamic of change describes four stages: Norm, Storm, Transform, Perform. How does this apply to firms?

Alain Goudsmet also described the four classic phases of a corporate storm: Refusal (anger), Resistance (negotiation), Gathering (joining) and Energy (new projects). He mentioned that the company just like a human being has a set of batteries: mental, emotional and physical sources of energy. The rule is that we charge the batteries and then use that energy to perform.

He concluded that in order to succeed in our change process we had to keep a clear mind!

Panel Discussion

A panel discussion followed, moderated by **Paul Hague** of B2B international, UK, and involving **Nico Knegt, Miklos Galli, Bob McLellan, Alain Goudsmet, and Leopoldo Santorroman**. Topics were varied and covered amongst other things: the increasing skills and training of the purchasing professionals and the importance of knowing your customers' customers needs.

Business Models

Presentation prepared by Jane C. Linder,
Accenture Institute for High Performance Business
and presented by Jay Millen, Accenture Global Forest Products,
Paper, Packaging Practice

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Companies in the European corrugated industry are facing serious challenges

- Weak growth (demand in products is moderate with delocalization of customers; 0-2% growth in western Europe 6-8% growth in eastern Europe).
- More demanding customers (the larger customers are consolidating and purchasing is becoming increasingly professionalized. And they are demanding more formats and sizes, more complex conversion, more flexibility to changes – all for the same low prices).
- Threat of replacement products (many companies are switching to plastic reusables, and EU legislation is encouraging this. Plastics are seen as more environmentally friendly because they can be recycled; they can also be inter-stacked).
- Production focus (mostly manufacturers push volume in an attempt to drive down costs. This doesn't always work. Endemic overcapacity).
- Companies have difficulty differentiating themselves (competitors all have same equipment; only difference is design or processes and employees. No branding and little product innovation).
- Negative pricing spiral (perception of corrugated as a commodity item. Increased pressure on prices and margins from e-auctions as well as large customers' increasing buying power).

Good business models look into inter-related sets of decisions

these are a set of choices that influence how your company makes money. Are you vertically integrated or do you buy raw materials on the spot market? Is post-sales service part of your offer to the customer or not?

Summarizing, a company shapes its business model through these two inter-related sets of decisions – how do we make money and where do we fit in the industry value chain.

What makes a good business model

- The elements make sense together—part of an integrated whole.
- The model highlights the DISTINCTIVE features that make the company successful. Every company may have an inventory control system. I can only think of a few companies in the world where it's THE key to the business model. Think of a retailer that has cultivated the reputation of always having YOUR size on hand.
- Success is in the details. There is no silver bullet; no specific model guarantees financial success. That's the wrong way to look at it. You want to create something unique and inimitable, not copy what some other firm has done.
- Combining features from different categories can create new models. Some of the most successful new models meld categories; Home Depot combines low price and convenience of one-stop shopping with the appeal of expert in-store advice. Dell uses its direct-to-customer model to supply price competitive, reliable computers quickly that are also configured to customers' needs.
- Business models wear out. Industry changes undermine them and companies have to ad-

just. For example, just consider the impact on your business of the European Union. Your plants and warehouses have a wider reach. You have new competitors with different cost structures and capabilities.

Cautionary tales and mistakes other companies have made:

- Consolidation among customers
- Intensifying price pressure, including auction
- Poor perception on green issues
- Inventory, responsiveness challenges as sizes proliferate and turn-around times shrink

Let's look at some business model mistakes that other companies have made.

- **Slipping down-market.** Over time, product distinctions can slip away, easing companies into low-profit, commodity-oriented businesses. Pharmaceutical companies... think of them as living on breakthroughs. But today 75% of new drugs are "me too" and they seem to be more interested in acquiring than inventing. Cost structure is completely out of line for competing in this kind of business.
- **Today's market, yesterday's model.** Furniture retailer, Heilig Myers made all its money on credit. When credit card companies invaded its rural markets, customers shifted their purchases onto the plastic and Heilig Myers stumbled.
- **Low margin products to high maintenance customers.** Do you know who your "best" customers are? Are they the ones that ask for the biggest discounts and "trust" you to make any last minute changes they need? It's well established that the largest banks earn a lower return on assets than mid-sized banks. Why? They attract the biggest customers who, perversely, have the best alternative funding sources and the savviest >>

Where should you start? By taking a good look at your company's business model. A business model is the core logic your company uses to make money.

One other key consideration: where does your company fit in the industry value chain? Again,

treasurers. They want the best service and are least willing to pay for it.

- **Choking on physical assets.** Instead of running profitably, some physical assets just drain your pocketbook. Think airlines. There's a reason their profits are cyclical. When times are good and airplanes are full, they make money. But you can't fly a half an airplane in a downturn.
- **False synergy.** Looking for growth opportunities, companies decide to edge into "related" businesses. The Wall Street Journal reports that \$70 billion in potential European acquisitions were announced in the first few days of this month. For example, German media giant Bertelsmann AG's, recent agreed-upon acquisitions include: DVD retailer Columbia House in the U.S., a major German-language magazine publisher, a French bookstore chain and a U.K. broadcaster.

Let's look at a few examples of how companies in some other industries have adjusted their business models in response to changes in their environments.

- **Improve the value proposition.** Some commercial printers have adopted dynamic pricing. Depending on what else is on the press at the moment, the price changes.
- **Work with (different) customers.** Some customers are more interested in reliable delivery, and others want their supplier to respond quickly to changes. These are two different value propositions. Evergreen Aviation pioneered the medivac. It could scramble planes and helicopters for any emergency. But when that service became routine, it exited.
- **Deliver the value you promise.** A perfect example is the government. Remember in the "olden days" how you would have to go to their office and stand in line, fill out forms or submit things through the mail. Then wait until they got around to processing it? Now, in some parts of the world you can set up a new business, compute and pay your taxes, or buy a piece of real estate from beginning to end in one encounter, at your convenience.

Shift your spot in the industry value chain. Move upstream. Retailers that offer private label goods illustrate this approach. They don't have to invent new products, just copy what the product companies do.

- **Move downstream.** Big brand consumer companies like Nike and Sony are pushing into the retailers' space.
- **Edge into another industry's value chain.**

Bombardier is the poster child for what we call a "stepping stone" approach. They started off in recreational vehicles like snowmobile. They also financed them. This let them move into capital leasing. The gasoline crisis of 1974 brought the snowmobile business very close to the edge and gave the company motivation to "edge" out. They leveraged their manufacturing expertise to get into transit systems—subway and rail cars. This gave them the manufacturing confidence to take on regional aircraft manufacturing. Which they then also combined with their financial acumen to build a business in fractional jet ownership.

RFID

RFID is an enabler,
not a solution

There was a new focus on RFID in this Marketing event. Last year FEFCO set up a new RFID Impact Committee and the chairman of this new working group, **Jan Willem van der Veen**, presented the audience with a good general overview of what this technology is about and its potential implications on the corrugated industry. RFID works with a tag (made of a chip and an antenna) that receives energy and transmits data to reader. The radio frequency reader receives tag information and sends it to computer systems.

Potential advantages of tags over Barcodes include: no line-of-sight necessary, multi-read, read from distance, higher data capacity, more robust (Re-usable), read AND write, opportunity for automation, no labour.

There are significant benefits for retailers (Wal-Mart estimates a \$5 - \$8 billion savings per annum) in terms of distribution, stock management, shelf replenishments, etc...

According to Mr van der Veen RFID is here to stay: the arena is very dynamic.

But some issues remain:

1. Tag cost: At large volumes: 0,25 €, small vol-

umes: up to 1,00 €. Successful implementation of RFID exists only in niche areas, high value products and small quantities. Tag cost is a significant issue for low value one-trip items

2. Single universal standards have not yet been agreed
3. Read reliability needs further improvement
4. Challenges with tag "physics" remain
5. Total costs (software, infrastructure & tags) may push out any reasonable payback period. Availability of tags on a large scale is an issue
6. Privacy issues may dent consumer confidence & acceptance

The players are:

1. The retailers (they have gone ahead, but have different time tables: Wal-Mart expects the supply chain to "share the burden").
2. The manufacturers (still very unsure about positive business cases, no real demands have been expressed to the corrugated board industry).
3. Global market leaders, driving forward initiatives (but everyone is waiting for the next technical break-through).

So what now? There is increasing demand to use the industry's know-how of RFID pro's and con's. In many (smaller) implementations benefits ARE being realised.

Conclusions: the market is moving towards low cost. It is the application that is key – RFID is an enabler, not a solution. A Forecast (as good as any other forecast): wide-scale implementation of outer case RFID possible within 3-4 years. Wide scale implementation of primary pack RFID (unit tagging) possible within 8-10 years.

On Thursday Mr van der Veen also led a dedicated workshop to the issue, attended by around 40 participants, attempting to identify at what point RFID is becoming a marketing issue. One way to do this was to compare Corrugated Board and RPCs through the supply chain and identify the marketing strengths and weaknesses of each packaging type in the case of RFID implementation. In all cases investments will be a major hurdle but in the case of RPCs small volumes, maintenance and technology change remain important obstacles. Corrugated has tag costs to look at, however the big volumes, added value to the customers and leading the technology change are areas where it can come out on top.

Networking

Special supplement FEFCO 16th Marketing Congress in Istanbul



The Turkish Association OMUD organised a very successful cocktail party on Wednesday night on a cruise boat which took the participants along the shores of the Bosphorus. Our hosts, represented by **Akin Paksoy**, Chairman, and **Hakki Yücesoy**, Secretary General, welcomed the delegates and officially opened the ceremonies. This was a wonderful setting for the many conversations and sharing of experiences between old friends and a great opportunity to make new ones.

OMUD also produced fantastic corrugated stage furniture (chairs, lectern, and table) made especially for the event and to much acclaim from the delegates when they arrived at the conference center the next day.

FEFCO Get-together Dinner

On Thursday evening the delegates met at the fantastic Esmâ Sumtan Palace for a celebration dinner organised by FEFCO. Set in the Ortaköy district of Istanbul, and built in-

side the ruins of a brick palace that dates back to the early 1800s the incorporated structure is made of steel and glass within the original brick exterior. The building is set on several levels and the delegates had a welcome drink downstairs followed by dinner upstairs. Again this was a great opportunity to mix and make new contacts and participants left with a little souvenir from their time in Istanbul.

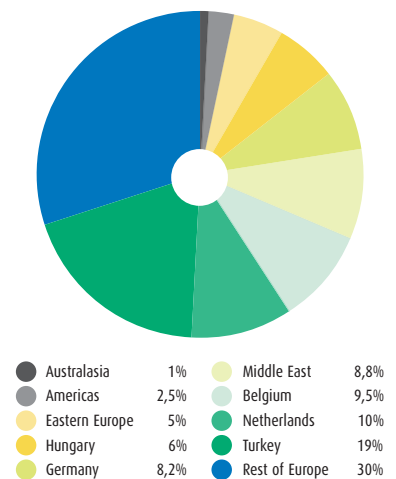
Participants Survey Results

The week following the event FEFCO carried out a survey amongst the participants and we found out that 30% of participants were attending this event for the first time, and that the two main reasons for doing so, with equal importance were the content of the presentations and the networking opportunities. 86% of the attendees rated the event good or excellent. Comments varied from "Very nice, excellent souvenirs" to "we see this event very important to make contacts" and "this congress was a very good one".

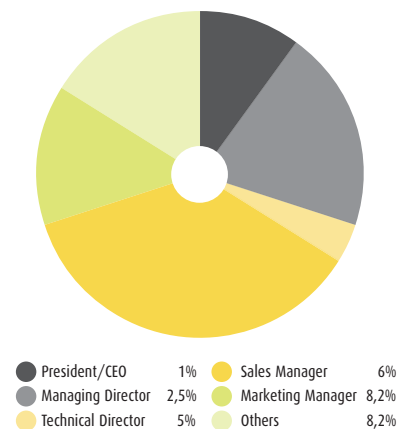
The by far best rated presentation was Alain Goudsmet's "Inspiring Change, the Future for Smart Sales & Marketing" followed by Wim Hoebert's "The Story Statistics tell" and the "Corrugated in the Eyes of the Supply Chain" video.

Participants profile

Geographical Breakdown



Positions



FEFCO Activities



New team member

We are delighted to welcome **Vanessa Lambremont** as our new assistant, taking over Ariane DeViron's position. Ariane has moved on to a new

organisation and we wish her all the best in the future.

Activity report

GMP

On 8-12 October FEFCO had a stand at ANUGA food fair in Cologne to promote the GMP standard.

GMP: Updated list of certified plants:

- ▶ **Fustelpack S.p.A.**,
Capocolle di Bertinoro - Italy
- ▶ **Kappa Attica**,
The Netherlands
- ▶ **Kappa De Zeeuw Golfkarton**,
Eerbeek - The Netherlands
- ▶ **Kappa Oudenbosch Golfkarton**,
Etten-Leur - The Netherlands
- ▶ **Kappa Oudenbosch**,
Oudenbosch, The Netherlands
- ▶ **Kappa Triton**,
Coevorden, The Netherlands
- ▶ **Kappa Triton, Nieuweschans**,
The Netherlands
- ▶ **Kappa Turnhout**,
The Netherlands
- ▶ **Kappa TWINCORR Nederhemert**,
The Netherlands
- ▶ **Kappa Twincorr**,
Hoogeveen - The Netherlands
- ▶ **Kappa Twincorr**,
Nieuwe Pekela - The Netherlands
- ▶ **Kappa Vandra Golfkarton BV**
The Netherlands
- ▶ **SCA Packaging, Eerbeek**
The Netherlands

- ▶ **Smurfit Golfkarton BV**
The Netherlands
- ▶ **Smurfit socar**,
Mellac - France
- ▶ **Smurfit Socar**,
Mortagne sur Sevre - France
- ▶ **VPK Packaging, Raamsdonksveer**
The Netherlands
- ▶ **SMURFIT Golfkarton**,
Soest, the Netherlands
- ▶ **SMURFIT Golfkarton**,
Neede, The Netherlands
- ▶ **SMURFIT Golfkarton**,
Loenen, The Netherlands

FEFCO also sponsored and had a stand at the **EUREPGAP** – Global Partnership for Safe and Sustainable Agriculture - conference in Paris, promoting GMP and the common footprint.

President's visits

Dr Dermot Smurfit, FEFCO President, visited the Polish Association on 12 October in order to develop further cooperation between the federation and the national association.



MEP Awards

The Parliament Magazine's inaugural MEP Awards were held at the Brussels Renaissance Hotel on Tuesday 11th October. FEFCO was



sponsor of the Environment Award, and Technical Director Ludwig Anckaert, presented the award to Marie Anne ISLER-BEGUIN, MEP.

The FEFCO Production Committee was invited to hold its 91st meeting on 7 & 8 November in Hungary at the premises of Rondo Kft in Budapest. Committee member and Rondo Managing Director, Laszlo Koscsó organised a dinner in the city and a visit of his plant for his committee colleagues.

Coming up

FEFCO will lead a Packaging and Food safety workshop at the CIES International Food Safety Conference «Enhancing transparency from farm to fork», to take place on 1-3 February 2006 at Sofitel Rive Gauche Forum Hotel, Paris, France.

Sympathizer Members meeting to be held on 25 November organised by technical Director Ludwig Anckaert.

Strategic Alliances

ICCA Forms Industry Issues Work Groups

The International Corrugated Case Association (ICCA) has formed six work groups dedicated to worldwide corrugated industry issues. Through these work streams, ICCA has created a global network to problem solve, share worthy information and possibly create a best practices arena to assist regional corrugated associations.

The work groups address the following topics:

- Lightweighting
- Legal
- Retail Requirements
- Plastic Penetration
- Food Contact
- Tracking and Tracing

Most groups have already started discussions. Related documents and information, as well as participant rosters, are currently posted on the ICCA Web site: www.iccanet.org. Log in to the Members section using your FEFCO User ID and Password and click on Work Groups.

The work groups will next report to the ICCA Board of Directors, who will meet in Dublin, Ireland, in conjunction with the FEFCO Congress, on June 21, 2006.

ICCA moves to new address :

25 Northwest Point Boulevard
Suite 510
Elk Grove Village, IL 60007 USA
847-364-9600
F 847-364-9639
www.iccanet.org

U.S. Corrugated industry approves voluntary repulpability and recyclability standard

Water Protection Treatments May Now Be Certified Recyclable

The U.S. corrugated packaging industry has ratified a new, voluntary standard establishing re-

pulpability and recyclability requirements for containers that have been treated for water and water vapor protection, such as wax alternatives. The standard allows boxes to be certified, and marked as recyclable for easy identification, when the treatment material has passed a testing protocol assuring acceptability by the recyclers of old corrugated containers (OCC).



The new standard was first introduced as a draft for public comment in February 2005. Input was received, considered and responded to over the ensuing months, and changes were made where appropriate. The standard was developed by a joint committee that included box manufacturers, paper mill operators and recycled fiber users. The committee considered the present state of supply chain issues, including retailer calls for the elimination of non-recyclable (usually waxed) containers, and the impacts on the collection and use of treated corrugated in mill systems.

FBA announces Schmidt as its next President



Dwight Schmidt has been named as the next Fibre Box Association (FBA) President. He will succeed Bruce Benson, who will retire as of February 1, 2006.

Schmidt spent 27 years at Inland Paperboard and Packaging where he worked in technical, marketing, sales and operations management with his last position being Senior Vice President of Specialty Packaging. In early 2002 Dwight was recruited by the corrugated industry to be the Executive Director of the Corrugated Packaging Alliance, sponsored by the American Forest and Paper Association and FBA, where he coordinates efforts to grow the use of corrugated packaging throughout North America.

The corrugated packaging alliance beyond 2005

As of 2006, the Corrugated Packaging Alliance (CPA) will be disbanded. Any further competing materials projects will be handled by the staff of the appropriate associations (either the American Forest & Paper Association or the Fibre Box Association), as was done before the CPA was authorized in 2000.

The CPA will continue, however, as a cooperative industry committee. Its mission would be

unchanged but its specific charter would be to address one-time or emerging issues with a defined life that are facing the U.S. containerboard and box businesses. Oversight of competing materials and wax replacement efforts would continue, as well as other areas such as RFID implementation and supply chain support.

TAPPI President Wayne H. Gross, CAE, will retire January 1, 2006, after serving the Association for over thirty years.



Gross joined the TAPPI staff in 1974 and later served as Director of Meetings and Exhibits, Director of International Operations, and Executive Director of the Pulp Chemicals Association. He left TAPPI in 1995 to lead the American Society of Mechanical Engineers' International Gas Turbine Institute. He was named TAPPI's sixth Executive Director and Chief Operating Officer in 1996. Last year his title was changed to TAPPI President.

CITPA AGM in Poland

The Annual General Meeting of the International Confederation of Paper and Board Converters in Europe took place on 20th October at Polonia House in Pultusk, Poland.



CEPI

The European industries recycling paper and board have further highlighted their ongoing commitment to sustainability by achieving a record new recycling rate of 54.6%. This means the industries are on track to hit their target for increasing European recycling rates to 56% by the end of 2005.

www.cepi.org

European Paper Week will take place from 29 November to 1 December at the Sheraton Rogier Hotel, in Brussels, with open seminars on Waste, Energy, and REACH.

www.cepi.org

National Associations Update



France

ONDEF organised its yearly packaging competition « **Les étoiles de l'ondulé** ». The winners were announced on 17th November as follows:

- ▶ **Category Technology and Innovation:**
Silver Star to DS Smith Kayserberg for the fireproof paint equipment for car parts
- ▶ **Category Packaging – Environment:**
Bronze star to Smurfit Paca-Scal for corrugated barrels for special waste
- ▶ **Category Design and Creativity through shapes and volumes:**
Gold Star to Kappa Central Pac for a packaging for 6 soda bottles
Gold Star to Mulliez-Richebe for a retail floor display for wall paper rolls
Silver Star to DS Smith Kayserberg for a cylinder shelf display
Bronze Star to Mondi Packaging France for a new fruit and vegetable tray
- ▶ **Category Design and Creativity through decor and perception:**
Silver Star to Mondi Packaging France for MajorDrive (flexoprint technique)
Bronze star to Emyr Leydier Emballages for the Presto box (designed for bathroom/kitchen furniture)
- ▶ **Category Application and Optimization:**
Gold Star to DS Smith Kayserberg for a special packaging for roll-up blinds
Silver Star to Cartonnages Pfahrer for a prop for the automobile industry
Bronze Star to Emyr Leydier Emballages for a prop for packaging break disks
Bronze Star to Languedoc Emballages for a fruit and vegetable display
- ▶ **Category Supply Chain and Packaging:**
Gold Star to Mondi Packaging France for a shelf ready packaging that can be automated
Silver Star to DS Smith Kayserberg for packaging stands for roll up blinds
Bronze Star to DS Smith Kayserberg for the PalKit for boilers

The special Young Etoile de l'Ondulé goes to Agathe Henault for a 5 bulb packaging and a special creativity prize to Aurélie Curto and Agnès Mammini for a 5 apple original packaging.

French market news

French senators passed an amendment to the agricultural framework bill which bans the distribution of non-biodegradable plastic bags at checkout stands. This measure will take effect on 1 January 2010. www.ondef.org



UK

Members of the UK Corrugated industry have made a commitment to adopt the FEFCO Common Footprint tray for produce, in a move that will reduce damage and improve stackability for the retail consumer.

The CPI Corrugated Sector is pleased to have participated through 2005 in a government sponsored scheme to raise awareness of recycling issues amongst the domestic consumer. "The Big Recycle" is a high profile promotional campaign with the support of a wide range of packaging materials that enables Corrugated to present very strong messages which will be developed further in 2006.

Other promotional projects, including a fact sheet and members' map will both be available before the end of 2005, as part of a significant programme to raise the profile of the UK Corrugated industry.

In addition to these varied promotional projects, a focus on increased Member benefits has seen a review of industry statistics with detailed financial data now issued quarterly and production data issued monthly. An active Health & Safety Committee, that includes the involvement of government agencies and unions, has published a series of guidance notes and accident statistics.

www.paper.org.uk



Denmark

The Danish Association of Corrugated Board Manufacturers participated in the design and production of a Packaging brochure, together with the Plastics association, giving clear and valuable information to non-specialists.

www.emballageindustrien.dk



Greece

The Hellenic Federation of Corrugated Board Manufacturers has applied to join FEFCO. After a few years of inactivity, the Hellenic Federation, led by President Thomas Sefertzis, has recently renewed its national status and expressed its will to resume links with the other European associations under the umbrella of FEFCO.

Calendar of Events

Fefco events

- ▶ **29th FEFCO Congress**
21-23 June 2006
Dublin, Ireland
www.fefco.org

- ▶ **14th Technical Seminar**
25-27 April 2007
Nice, France
www.fefco.org

Industry events

- ▶ **Fruit Logistica**
2-4 February 2006
Berlin, Germany
www.fruitlogistica.com
- ▶ **EMPACK Brabantallen, Den Bosch**
19 & 20 April 2006
The Netherlands
E-mail: frederik.van.aken@easyfairs.com
www.easyfairs.com
- ▶ **Packaging 2006**
April 18 - 20, 2006
China International Exhibition Center
Beijing, China
packagingexpo@reedhuayin.com.cn
www.packagingexpo.com.cn
- ▶ **Packaging Summit Conference 2006**
May 16 - 18, 2006
Donald E Stephens Convention Centre
Chicago, Ill., United States
chime@tarsus.co.uk
www.tarsusgroup.com
- ▶ **Packaging Services Summit Europe 2006**
June 12 - 13, 2006
Amsterdam, Netherlands
chime@tarsus.co.uk
www.packservsummit.com

