32nd Logistics Meeting

B E R L I N

2 2 - 2 6 October 2005

"Maximising Performance: A Road Map for Action"

EPCA

THE EUROPEAN PETROCHEMICAL ASSOCIATION

The European Petrochemical Association

Report on 32nd Logistics Meeting

Berlin,

22-26 October 2005

"Maximising Performance:
A Road Map for Action"

including the report on
the Press Conference

Berlin,
October 24, 2005

"A Driver's Day"
"Work Programme 2006"

The European Chemical Transport Association

1. Introduction

The EPCA's 32nd Logistics Meeting was held at the Hotel Inter-Continental in Berlin on 22-26 October 2005. Welcoming delegates, the EPCA Logistics Committee Chairman, **Denis Tual** of Arkema, said that this was an historical EPCA Logistics Meeting, as it was to be the last stand-alone Logistics Meeting in the series. From 2006 onwards EPCA is combining its Annual and Logistics Meetings into a single, annual event. The new approach has been adopted in response to the wishes of the EPCA members attending these meetings, and the first of the new amalgamated EPCA events will be held in Monaco in September 2006. There will be two days of conference proceedings at the meeting, the first focusing on issues impacting the whole chemical business and the second devoted to supply chain management. In addition to the conference sessions, there will be plenty of opportunity for chemical producers to network with Logistics Service Providers (LSP's).

Denis Tual reported that there were 380 registered delegates at the 32nd Logistics Meeting, an attendance which was greater than that recorded in 2004 and one which included representatives from 40 chemical producer companies. He told delegates that this year's meeting would focus on efforts underway to develop a road map detailing the route towards an optimised logistics performance of the European chemical industry.

Denis Tual said that in developing the theme of this year's Logistics Meeting, the panellists on the second day would report on the progress made over the past year by the joint EPCA/European Chemical Industry Council (Cefic) Think Tank which has been considering excellence in the supply chain. This has been a major undertaking and good progress has been made over the past 12 months by four separate Think Tank working groups investigating key aspects of supply chain optimisation.

Denis Tual explained to delegates that the first day's proceedings at the 32nd EPCA Logistics Meeting - with presentations from a senior officer of a major European petrochemical company and a leading economist - would set the stage for the second day working group progress reports. The EPCA Logistics Committee Chairman then handed proceedings over to **Michael Buerk** of the BBC, in whose capable hands the task of moderating the Association's Annual and Logistics Meetings has now rested for the past 12 years.

Michael Buerk said that he had come to appreciate the inherent strengths of the European chemical industry over the period of his association with EPCA. It is an industry directly employing 3 million people, he said, and one responsible for one-half of Europe's manufacturing trade surplus. However, he sensed the foreboding about the longer term prospects for the industry amongst many EPCA delegates in the face of strengthening global competition, stagnating markets, regulatory constraints and rising costs.

Michael Buerk said that it was a particularly appropriate time to focus on the theme of determining the most appropriate way to maximise supply chain performance. The first day's speakers would not only look at the role of logistics in a changing European market but also outline the direction in which this market, and hence the chemical industry, is headed.

2. Role of logistics in the commoditisation debate

2.1 Is the petrochemical industry a commodity market?

The first speaker was **Didier Baudrand**, Senior Vice President with Innovene, who looked at how Europe can promote liquidity as an opportunity, rather than it be seen as a threat, in his presentation "The Role of Logistics in the Commoditisation Debate". The recent change in the status of Mr Baudrand's company is indicative of the changes sweeping the chemical industry. Formerly BP's olefins, derivatives and refining subsidiary, Innovene has just been sold to to the Ineos Group, as another oil major decides to focus on activities other than chemicals.

Irrespective of the ultimate ownership of a petrochemical company, said Didier Baudrand, the challenges facing the industry are the same. First, he asked whether the *current broad trends* in the petrochemical industry are *a reflection of a pure commodity market*. He believes that, in the main, they are, although there are still some lingering constraints that harm European competitiveness. Didier Baudrand pointed out that 80 per cent of the products in the petrochemical sector can be considered to be commodities. The three criteria that determine whether a product is a commodity or not are interconnectivity, price convergence and liquidity. However, whereas there can be no doubt that Europe is interconnected with other regions in an increasingly global market and that chemical prices are strongly converging worldwide, there is still a *lack of liquidity* in the chemical sector.

Didier Baudrand said there needs to be a more liquid market and that all participants have a role to play. Although chemical producers and customers all say they want smooth prices, they all continue to hold stocks in order to gain some competitive advantage from price fluctuations. The speaker told delegates that inappropriate market mechanisms, regulatory controls and a fragmented logistics infrastructure are all hindrances to increased levels of liquidity in the European chemical industry.

2.2 How to increase liquidity in the European chemicals sector

Didier Baudrand outlined a number of steps that need to be taken in order to increase liquidity. First, he called for a *pan-European approach* to the rationalisation of product ranges, the *standardisation* of product specifications and the development of *product exchange* opportunities. Furthermore, greater levels of *price transparency* would create opportunities for new hedging mechanisms and help manage exposure to price volatility.

On the subject of regulatory controls, the speaker said that the responsible authorities also need to *open* some *doors* in a drive to create a more level playing field in Europe. For example, benefits would accrue to a wide cross-section from an open pipeline network; more cooperation in cross-border rail freight activities; and greater investment in cargo corridors and centralised terminals.

Following on from the first two initiatives, with an open market in place, supported by appropriate regulatory controls, *logistics* could then play a third key role in supporting liquidity. Didier Baudrand listed some key areas in which logistics could promote liquidity, not least the promotion of a common logistics infrastructure by the European Union, in the form of a hubs and spoke structure across the continent. Backing this up should be greater support for rail and shortsea freight movements to ease road congestion; pooled logistics resources; and increased use of vendor-managed inventory systems to shift responsibility for ongoing orders away from the customer to the supplier.

In conclusion, Didier Baudrand said that *increasing liquidity* represents the *greatest challenge* for the European petrochemical industry. Regulators have a key role to play in opening up doors but thereafter it is up to chemical producers and their LSPs to take bold steps to bring about this more liquid market.

3. Optimising strategic assets and capabilities

3.1 Looking through Galileo's telescope

Michael Buerk introduced the second speaker, **John Kay**, as a noted economist and someone who is not afraid to step outside the box in reassessing common perceptions. John Kay highlighted the classic case of Galileo's telescope as an example of the tendency of people to focus on that which will reinforce conventional wisdom. When the Inquisition arrived to arrest Galileo for heresy, in particular his refusal to toe the church line that the earth was the centre of an immutable and perfect spherical universe, he invited them to look through his telescope to view the immense changes taking place in the night sky relative to the earth. They spurned his offer, preferring the "certainty of received ecclesiastical wisdom".

In the world of economics John Kay said that this belief in the "accepted truths" has led to some naive extrapolations of market trends, not least a *tendency to overestimate short-term trends in the market and underestimate long-term trends*. As one example, because France has had a lacklustre average GDP growth since 1980, the general belief is that the French economy is a poorly performing one. Yet, in truth, France has a better labour productivity growth rate than most countries, including the US and the UK over the 1980-2002 period. However, despite this strong productivity performance, Americans have a private consumption which is 60 per cent higher than that of a typical Frenchman. How can this be? The dichotomy is explained by the big spend on public services in France and the fact that relatively few French people in the 15-24 and 55-64 age brackets work. In addition, Americans save less, spend more, invest less and borrow much more.
John Kay said there is also a *tendency to overestimate the scale and performance of the largest corporations*, not least those in the US, and to believe that these behemoths have been the greatest beneficiaries of the globalisation process. Yet globalisation is a more complex phenomenon than one would think, as illustrated by developments in the automotive industry. There is no doubt that organisations like Ford, Chrysler and General Motors have benefited from globalisation but the largest beneficiaries have been firms like BMW, Hyundai and Toyota. This is because building scale/concentrating production represents only an intermediate stage in the globalisation process. Following this stage, as the industry develops (and has now happened in the automotive sector), cheaper and more differentiated products are introduced and customers are provided with a greater choice.

As part of the process of reaching this more advanced stage, industries can become "renationalised", explained John Kay. Thus, for example, Italy has become renowned for its prowess in design and fashion, Germany and Switzerland for their production line engineering, the UK for its financial services and Scandinavia for its telecommunications.

3.2 Sustaining competitive advantage

In other words, scale is not the source of any competitive advantages which a firm may enjoy. Rather, said John Kay, it is the *ability to innovate, to create a branded reputation, to optimise strategic assets and to fashion the marketing architecture* needed to achieve an agreed set of goals. The ability of a firm to sustain its competitive advantages is tied to its understanding the needs of local and regional markets. Globalisation yields greater awards for those companies that have the best products and services, while the losers are those in possession of only median talents. Such reasoning, declared John Kay, explains why Europe can compete effectively against the US at so many different levels.

John Kay told delegates that capital-intensive, cyclical and mature businesses are not particularly liked by the capital markets. Against this background, the prospects for small, publicly quoted businesses may not be that bad after all. "The next decade or two will test traditional beliefs as regards what makes a good business model," the speaker pointed out.

Concluding, John Kay said that the market economy is the only game in town, but it is important to remember that there are many *different versions of the market economy, and hence solutions*. Each could have a role to play, depending on the particular set of circumstances pertaining.

In the question and answer session that followed, John Kay said that *Europe's competitive advantages included its education system and its highly skilled workforce*. Success in the chemical sector depends on how well workforces adapt to changing circumstances; how well they manage process technology; and how well they meet customer needs. Thus, the best, most-talented producers are relatively price-insensitive. "Having said that, for the reasons explained by Didier Baudrand, for the moment the European Union is probably a better place to live than to work," added John Kay.

4. Think tank on excellence in supply chain management

4.1 Are we ready for a mindset change?

Prior to presentations on the work of the initiative's four working groups and a panel discussion on progress to date, **Denis Tual** reminded delegates of the background to the EPCA/Cefic Think Tank on Excellence in the Supply Chain. The Think Tank was established at the end of 2003 in recognition of the need to take steps to maintain the long-term competitiveness of the European chemical industry. With limited opportunities for wringing any further cost savings out of chemical production, the Think Tank has focused on ways in which the supply chain can yield additional economies.

The Think Tank, which comprises senior supply chain managers from both chemical producers and their LSPs, considered the following three key questions:

1. *Can supply chain management increase the competitiveness of the European chemical industry?*

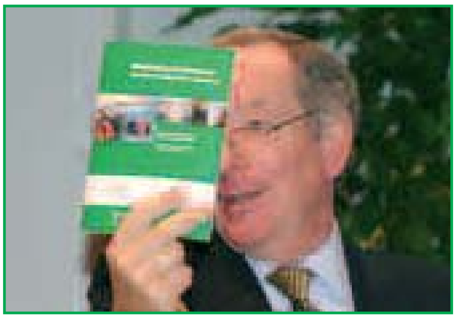
2. *Can the chemical industry learn from other sectors' best practices?*

3. *Is the chemical industry ready for changes in supply chain design?*

Following presentation of the proposals arising from the Think Tank's initial sessions at the 31st EPCA Logistics Meeting in Monaco in October 2004, four working groups were established in early 2005. A total of 57 executives from 38 companies were appointed to the groups and each group held 4-6 meetings during the course of 2005 to advance its work.

In order to achieve the ultimate goal - a package of measures to help industry as a whole achieve supply chain excellence - the work of all four working groups has been focused around a common purpose to optimise the potential benefits arising out of the four different but interconnected work streams. Thus, *the adoption of a best practice* within a particular company is only the first step. The groups would also have to consider *horizontal collaboration* across the company and across the entire industry to facilitate exchanges and network optimisation. Then, *vertical collaboration* would have to be considered, using techniques within an organisation for information synchronisation. Such a step might encompass major structural changes to traditional operating practices. Finally, bearing in mind the new methods of horizontal and vertical collaboration, ways in which the *capabilities of LSPs* can be leveraged better would have to be introduced.

Denis Tual pointed out that the results of the EPCA/Cefic working group sessions have been compiled as a new publication entitled ***"Maximising Performance: The Power of Supply Chain Collaboration"***. He then called on Michael Buerk to introduce the chairmen of the four working groups to inform delegates of the results of their work.



5. Results of think tank working groups

5.1 Company collaboration: Network design and information management

Philip Browitt of Agility presented the results of the first working group, of which he is chairman. Entitled Company Collaboration: Network Design and Information Management, his group was charged with unlocking value in the supply chain through inter-company cooperation and supply chain integration. The scale of the European chemical industry - 4,600 companies and 10 per cent of all European logistics - gives an indication of not only the magnitude of the challenge but also the potential for savings.

Phil Browitt described how his group identified four key areas for improvement - *demand planning, integrated supply chains* and *optimised stocks*, the *elimination of transport through product exchanges* and *peak flows management* - as well as a wide range of specific factors which offer scope for improvement.

What emerged from this study of how to put supply chains together for best effect is how minimal has been progress to date. Only a few individual companies have truly optimised their supply chains and instances of cross-industry cooperation are limited to a few specific substances where special care is required, e.g. ethylene oxide. There are still notable barriers to supply chain integration and cooperation, not least of which is a company lack of knowledge and capabilities as regards what can be done outside its own internal boundaries. Commercial factors, notably pricing, payment terms, differentiated positions and brand image, also restrict progress.

What his working group did discover, though, was the potential for deriving benefit. For example, there are immediate savings of €30 million to be gained from even a 5 per cent improvement in supply chain efficiencies through product exchanges. Phil Browitt said that, at a conservative estimate, savings of €10/tonne, or €500m, are achievable if the barriers identified by his working group can be whittled away. The group is looking at a test involving three producers in which the three individual supply chains will be optimised first before work commences on integrating the three chains.

5.2 Logistics service provider capabilities

Jerôme Burtin of Norbert Dentressengle then outlined the progress made by the working group on LSP capabilities that he chairs in considering the question, "Do LSPs deliver?" Although the European chemical industry has now outsourced 100 per cent of its logistics, the relationship between producers and their LSPs remains a complex one. Shippers traditionally complain that their LSPs lack vision and strategic thinking while LSPs accuse shippers of being limited in their requirements to a simple quote in order that they can go with the lowest quote. In recent years LSPs have increased their revenues but found their margins being squeezed more and more by rising costs which they are unable to pass on. Average returns on investment had sunk below the 2.5 per cent level in 2004 and are expected to be lower still this year.

Jerôme Burtin stated that his group had recognised the need for both parties to leave behind the traditional sector/geography /services approach and to develop *innovative partnerships* based on a new, strategic way of thinking. For this brave new world to succeed, the senior management in both the producer and LSP companies will have to recognise that their support and the necessary investments in people, skills and IT will yield benefits for both parties.

In addition to the suggested *new strategic way of thinking for producers and LSPs*, working group 2 also developed a series of recommendations which LSPs can consider for adoption as part of their own short-term, self improvement action plans. Adoption of these recommendations would guarantee that chemical producers would look more favourably on that company as an LSP of choice.

5.3 Skills, talent and training

Working group 3 - on skills talent and training - is chaired by **Frank Otten** of DSM. In his presentation he said his group's first task was to develop a template listing the skills and competencies of all the relevant supply chain roles/functions operated by producers and their LSPs. The next step was to determine which would be the most important capabilities required in future and, finally, to draw up a road map showing how these future capabilities can be achieved.

The exercise confirmed one accepted home truth that has traditionally dogged efforts to raise the profile of logistics, namely that in many chemical producer companies a job in supply chain management is not seen as career-enhancing. A knock-on effect is that there is a *gap in the focus of university curricula and real business needs*. Working group 3 concluded that an industry-wide people development framework needs to be drawn up to highlight this existing weakness in the fabric of the workforce for the benefit of company senior officers and to show them how it can be rectified.

The working group identified seven *key senior management roles in supply chain activities* - four amongst shippers and three amongst LSPs. Every function requires a combination of skills and competencies - skills being attributes that can be learned through education and practice while competencies are more in the nature of personal capabilities revealed through one's behaviour. The working group has developed a series of skill and competence matrices for the various shipper and LSP roles/functions to provide industry with a template for selecting, appointing and assessing employees.

Frank Otten then went on to explain how working group 3 also evaluated the anticipated business developments through 2015 likely to impact the supply chain and to translate how such developments will alter future skill and competence requirements. For a start, negotiating and partnering, networking and language skills will become much more important over the next decade.

Finally, the working group determined four areas where action should be taken to promote talent development, as follows:

(a) secure the commitment of top management to develop a *professional supply chain education programme*;
(b) work proactively to *raise awareness of the importance of supply chain management*;
(c) EPCA and Cefic to initiate discussions with universities on an appropriate *supply chain management curriculum*; and
(d) EPCA and Cefic to launch a working group charged with developing a generic *education programme for supply chain excellence* in the chemical industry.

5.4 Safety, security and environment

Chaired by **Jos Verlinden**, head of logistics at Cefic, the fourth working group was charged with reviewing the potential impact of current and future safety security and environmental protection issues on the sustainability and competitiveness of the chemical supply chain. The chairman called the European chemical supply chain a complex, transport-intensive undertaking involving hundreds of hazardous products. Although standards and compliance have improved considerably over the last 10 years, they are not yet consistently applied across the whole industry. Commercial departments are not always aware to the extent necessary of the rigorous system of transport controls that must be implemented.

Jos Verlinden also reported that the industry is also facing new challenges, not least increasing security concerns, increasing congestion of the transport infrastructure and more stringent environmental controls. Amongst the latter are the measures that will be introduced to reduce the growing volume of greenhouse gas emissions stemming from transport activities. The fact that all these developments entail additional costs highlights the temptation that exists in difficult economic conditions to cut investment and relax compliance.

Working group 4 cautions that industry should not give in to this temptation. On the contrary, it should better *steward and manage the complete supply chain*. Industry leaders should strive to show that *investing in robust safety, security and environmental protection standards makes good business sense* and that a collaborative, proactive approach will help these benefits to be achieved.

The working group has developed one set of recommendations aimed at realising environmental benefits and another set designed to yield improvements in the industry's safety and security performance. Amongst the latter is the need for:
- *integrated safety / security*
- *management throughout the supply chain*
- *a greater focus on people*
- *and greater dissemination of lessons learned*

as a result of transport accident investigations.

6. Think tank discussion panel

Following these presentations, **Michael Buerk** coordinated an open question and answer session in which he led off with a series of targeted questions and then opened proceedings to comments and questions from the floor.

When asked if the cooperative nature of many of the initiatives being advocated had any *antitrust implications*, **Phil Browitt** mentioned that they had a representative from the European Commission on his working group. The key consideration is whether the methods advocated for working together amongst companies would have an effect on the price of chemicals. None of the activities being discussed would have such an effect.

Jerôme Burtin was asked how it is *possible for shippers and their LSPs to break free of the traditional adversarial relationship* that governs their contract negotiations. He replied that the LSP sector is the weaker party in such discussions. LSPs need to measure the value of their services and to show this to the shippers. They also need to show how stronger partnerships and more extensive service packages can bring benefits to both parties.

In tackling the question *"How can a job in supply chain management be made more career-enhancing?"*, **Frank Otten** replied that there is a growing awareness that supply chain management is now key to business success. This is because of the increasing recognition of the savings that can be made from a new, enlightened approach to supply chain management. In this new business environment sales and marketing staff have to be regarded as an integral part of the chain and, hence, should be part of any supply chain training programme.

Jos Verlinden was asked how it can be shown that a *company making a strong commitment to safety, security and environmental protection will realise balance sheet benefits*. He replied that in an increasingly litigious world in which the public is showing zero tolerance for industrial accidents of any kind, the penalties for non-compliance are greater than ever before. There are also insurance and customer confidence implications of a commitment to safety which is less than 100 per cent. Finally, there is a growing awareness at board level of the hidden costs involved in an accident that disrupts business.

In a final flurry of discussion on the Think Tank initiative Jerôme Burtin announced that his company, Norbert Dentressengle, had completely revised its approach to supply chain management as a result of the findings of the working groups. All the chairmen agreed that there was a need now to utilise the valuable work that had been done to identify ways of reducing costs and improving supply chain efficiencies in a positive, proactive way across the European industry. Producers have a key role to play, first in engaging senior management and second in having their supply chain personnel explain to sales and marketing staff how they can cooperate to mutually beneficial effect.

Phil Browitt mentioned that the new breed of specialist fourth party logistics service providers have a positive role to play as a catalyst for greater cooperation. Such companies know the strengths and capabilities of all the parties in the supply chain and hence can advise on a programme of supply chain optimisation.

In closing the 32nd EPCA Logistics Meeting, Denis Tual bade delegates farewell with the question *"Are you ready? Are you ready to promote enlightened supply chain thinking at large across the industry; to convince senior management of the merits of such thinking; to implement best practices in your daily business; and to create value?"*

Dr Walter Thünker, EPCA President thanked Denis Tual for his contribution as EPCA Logistics Committee Chairman. Being now in charge of a product group within Arkema and no longer involved in Logistics, Denis Tual steps down from the Committee. Denis Tual is replaced as Chairman by Dr Hans-Jörg Bertschi, already a member of the EPCA Board.

This evolution clearly indicates how a career in logistics can lead to high responsibilities in their company. It also shows the recognition of LSP's as valuable partners to the chemical industry.

Last but not least, **Dr Walter Thünker** insisted on the importance of implementation of the key ideas contained in the Report "Maximising Performance". He expressed the wish to be able to meet all present in the next year's joint event in Monaco.

Press Conference

Berlin,
October 24, 2005

"A Driver's Day"

"Work Programme 2006"

The European Chemical Transport Association

The European Chemical Transport Association (ECTA) held a press conference in Berlin on October 24, 2005 to launch its new "a Driver's Day" publication and to provide an update on the Association's work programme. The press conference was introduced by ECTA President **Luc Haesaerts** of Haesaerts Intermodal who provided a brief background on the impressive progress made by the Association since its establishment in 1999 in representing the interests of chemical transport and logistics providers at a European level. Particularly notable is the strengthening partnership role played by ECTA in its relationship with chemical producers in the joint and ongoing drive for continuous improvement in the safe and efficient movement of chemicals by road in Europe.

The ECTA president announced ECTA will sign the EU Road Safety Charter in November 2005 committing to the promotion of BBS as a safety improving training method. This will happen at the ECTA Conference 2005 on BBS where ECTA members share the learning on the BBS methods within the chemical transport industry. The ECTA commitments on ESP and visibility at night will place ECTA at the centre of a constructive dialogue between equipment manufacturers and ECTA members, their end users.

A Driver's Day

Luc Haesaerts then called on **Andreas Zink** of LKW Walter International and Chairman of the ECTA Human Resources Working Group to introduce the new publication "a Driver's Day" from ECTA. A decision to compile the leaflet was taken following an ECTA-organised workshop at which drivers from all over Europe voiced their concerns. The timetable of a typical working day highlighted in the publication makes it clear why it is becoming increasingly difficult to attract qualified and motivated professionals as drivers of chemical goods vehicles in Europe.

Andreas Zink explained that the drivers have identified the following *five critical areas of concern*:

1. Physical and social comfort at reception areas and during waiting times.
2. Safety and security of transport and (un)loading operation.
3. Combination of personal life and work.
4. Maintenance and improvement of their driving skills and learning new technologies.
5. Negative image of transport by road with the public.

In the publication "a Driver's Day", ECTA lists some specific improvements in aspects that will make a difference to the driver. Some of the improvements can be implemented by transport companies while others fall within the responsibility of the chemical industry. A third set of recommended improvements can only be implemented jointly by the chemical industry and transport companies.

ECTA has provided "a Driver's Day" as food for thought and as a guidance tool for all parties with an interest in improving the lot of the chemical transport driver. The fact that drivers are recognised at the customer's premises as the representatives of both the transport company and the chemical producer reinforces their key role and the need to facilitate their working days. The publication is available in English, German, French and Dutch language versions.

Work Programme 2006

ECTA annual work programmes have featured full agendas in every year of the Association's existence and 2006 is set to be be no exception. Preparations for the new year come after ECTA increased its membership by 10 per cent in 2005 and the recent release of the new ECTA/EPCA/Cefic Guidelines on Sub-contracting. The guidelines suggest an appropriate process for the selection and follow-up of subcontracting partners, particularly with respect to health, safety and environmental protection matters.

The new year will see the continuation and finalisation of a number of initiatives launched by ECTA in 2005.

ECTA created a Responsible Care Pioneer Committee in 2005 to consider the development of an "ECTA Responsible Care Programme". ECTA is negotiating with Cefic on gaining a Responsible Care status for the chemical transport industry.

In 2005 ECTA participated with other associations in the formulation of some practical guidance on how to implement the security guidelines laid down in the new Chapter 1.10 of the 2005 Edition of the ADR regulations governing the transport of dangerous goods in Europe. Taking the security issue forward into 2006, ECTA is concerned about the increasing use of "security" badges and cards at ports and other security-sensitive areas. The uncoordinated proliferation of such controls represents a hidden cost in the supply chain. ECTA proposes to policy makers that the use of an electronic identity card should be investigated as an alternative to the myriad of different ID checking measures springing up.

A revision of the ECTA- EPCA- Cefic Standardisation of Equipment (Road) Guidelines is scheduled to be finalised in 2006.

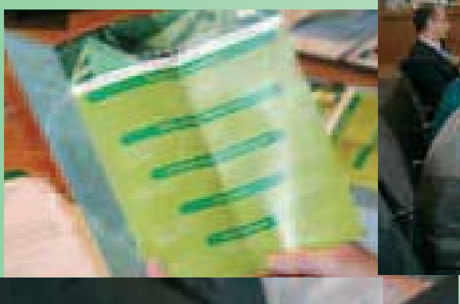
ECTA has established a Task Force on Silo Transport and has met with manufacturers of trailers, landing legs and twistlocks to discuss the specifics of silo transports.

In addition, a new ECTA/EPCA/Cefic working group has been established to consider guidance of methods of load securing.

Also, special attention will be given in 2006 to review the implementation status of the Standardised Delivery Performance Measurement Guidelines. Another focus will be completion of an update of the Standardised Delivery Performance Measurement Guidelines.

Another ECTA project in 2006 is the review of specific HSSE-requirements in intermodal transport.

Finally, the recent opening up of an associate membership in ECTA for companies, associates and other entities that can contribute to the goals of the Association have ensured a new networking function and role for ECTA.



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