



ALL TOGETHER NOW

MEETING REPORT • ECTA'S ANNUAL MEETING OFFERS THE CHANCE TO MEET UP WITH LEADING PLAYERS IN THE CHEMICAL TRANSPORT BUSINESS

WHEN THE PETROCHEMICAL industry outsourced its logistics operations in the last decades of the 20th century, it also outsourced a lot of knowledge. So when the European Chemical Transport Association (ECTA), which represents many of the leading chemical logistics companies in Europe, held its 2015 annual meeting under the title 'Leading the Way in Chemical Logistics', it was nothing short of the truth.

But concentrating knowledge within a dedicated industry does give the opportunity for new understanding to be shared and discussed and the ECTA meeting, which took place in



ABOVE AND OPPOSITE: ECTA MEMBERS CARRY BULK LIQUID, DRY BULK AND PACKAGED CHEMICALS

Düsseldorf this past 26 November, offered an interesting array of speakers with new ideas about how logistics providers can use innovative concepts and leverage the understanding provided by new standards and regulations to improve their operational efficiency.

That striving for better efficiency is a good thing should be self-evident – after all, who would run a business inefficiently on purpose? On the other hand, as several speakers showed, the way to achieving efficiency is not always obvious.

INTERMODAL HOLD-UPS

The meeting was opened by Andreas Zink, ECTA president and a director of LKW Walter, who introduced the Association's recently appointed new managing director, Marc Twisk. Marc was familiar to many in the audience, not least

since he had spoken at the 2014 event in his role with Transports Vervaeke, and many will remember him from his days at the European Chemical Industry Council (Cefic), where he was responsible for the 2011 update to the Safety and Quality Assessment System (SQAS), a topic that returned time and time again during the 2015 meeting.

Andreas also mentioned that ECTA was to relocate its office out of the building it shared with the European Petrochemical Association (EPCA) in Brussels. It was hard to tell if the move had been forced on ECTA by EPCA's addition of new staff, but it will also provide ECTA with more room. Since then the relocation has been finalised: the Association is now in the Diamant Brussels Conference & Business Centre on Boulevard Auguste Reyers.

The extent to which companies have to innovate to capture efficiencies was well illustrated by the first speaker, Dr Thorsten Bieker, vice-president of rail and site services with BASF, who explained the company's 'Rail 4.0' vision. While rail as a transport mode offers many advantages, particularly in terms of sustainability – an important consideration for the major petrochemical companies – it has its disadvantages.

BASF's solution has been to develop a new

40-foot swap tank container, in collaboration with Van Hool, which overcomes rail's main inefficiency – first and last mile connectivity – but at present will have to be restricted to internal use unless third-party terminals invest in the cranes necessary to handle the increased weight. [The concept was explained in greater detail in an article on page 24 of the January 2016 issue of *HCB Monthly*.]

A broader view of the capabilities of the European combined transport sector to help chemical shippers improve efficiency was provided by Ralf-Charley Schultze, general director of the International Union for Rail-Road Combined Transport (UIRR). The Union's target is efficient and profitable road/rail transport, he said. This requires a number of improvements.

1. The codification of rail operations to ensure compatibility between the loading unit (such as a container), the wagon and the rail infrastructure.
2. Improving access to terminals (especially at open-access facilities), the expansion of terminal capacity (via the TEN-T project, for instance, which makes funds available for projects that improve sustainability) and last-mile connections.
3. The use of IT systems to support operations in terms of route planning, terminal capacity, tracking and tracing, and customs administration.
4. Clarifying the legal conditions of use via OTIF, CIT, etc.

RAIL POTENTIAL

Operators face a lot of regulatory challenges, Ralf-Charley said. UIRR has identified what it thinks are all the aspects and has begun work to address them. The necessary responses have been defined in about 80 per cent of cases but only 20 per cent have so far been addressed.

The issues concern, for instance, interoperability, bottlenecks, cross-border acceptance of vehicles, the alignment of national rules and implementation of bilateral agreements, harmonised traffic management, and the means of communication.

UIRR wants to see a level playing field across all transport modes, including the reform of

energy taxation to offer a realistic and fair way of calculating carbon dioxide and greenhouse gas emissions. A reform of tolling is needed, transforming the Eurovignette into an eToll system so that the road user pays for the infrastructure at a comparable rate as rail users are expected to. Fees for licences and permits and fines for violations need to be equalised.

Ralf-Charley offered the observation that the logistics sector and its major customers have embraced the concept of multimodal transport but this has not been reflected in the EU nor in member states' ministries, where different transport modes sit in their own silos. Regulators need to take a multimodal approach as well, he said.

On the other hand, there is no need for new regulation, just a harmonised framework for existing rules. A comprehensive review and amendment of the Combined Transport Directive (92/106/EEC) needs to take account of all modes of transport.

Ralf-Charley ended on an optimistic note. Railfreight currently accounts for 17.1 per cent of goods transport in Europe – with combined

transport making up just under half of that. Compared to some other markets in the world – Australia, the US and China, for example – where railfreight accounts for 40 to 45 per cent of freight transport, there is considerable upside potential in Europe. Accessing that potential will, though, require standardisation, harmonised legislation and a political will across the region.

REVISING QUALITY

Running an efficient and compliant logistics operation is, though, not just about observing regulations and legislation. There is also the question of customer expectations, often realised through observance of the relevant standards and industry best practice.

Daddy of them all seems to be ISO 9000, which sets the standard for operators' quality management systems and Christian Zott, a trainer with DEKRA, explained how the revision to the standard that was published in September 2015 can help those who really take time to understand how its provisions affect them. »





"ISO 9000 is often seen as a 'ticket to the market' – a piece of paper that customers will expect," he said. "But it's actually a structure for providing the quality that customers demand."

One key change in the 2015 revision is that ISO 9000 has been broadened out to encompass all of the stakeholders involved in an organisation's activities, not just its customers. That means that the organisation must understand the broader context of its activities and include that understanding in the normal plan-do-check-act cycle.

Another change is that ISO 9000:2015 speaks of the roles and responsibilities of all the people in an organisation and no longer puts all the responsibility on one individual appointed to oversee quality management. The 'planning' element has also been broadened out and now includes actions needed to address risks and opportunities, and planning to achieve quality objectives.

What all this means for companies looking to achieve ISO 9000 is that it will no longer be good enough to look at the quality of their operations from the point of view of their customers and society at large, they will also have to take investors, employees, suppliers and other stakeholders into account.

On a practical note, Christian observed that ISO 9000:2008 will expire on 14 September 2018, three years after the 2015 version was released.

Companies being certified or recertified during 2016 may take the option to recertify again before that date, using the 2008 text, and give themselves longer to put the necessary new systems and controls in place.

RESPONSIBLE CARE GROWS

More specifically for the chemical industry and its partners, Responsible Care (RC) is also evolving and putting new responsibilities onto operators. Francis Lévêque, Responsible Care manager at Cefic, explained that RC is just one of three strategies in Cefic's sustainability drive, along with other Strategy Implementation Groups (SIGs) looking at sustainability and logistics.

It was interesting that the ECTA meeting came so soon after the UN's Sustainable Development Summit in September 2015, where it was made crystal clear that the current pace of development growth is not sustainable for the planet as a whole. New strategies will be required to decouple the impact of resource exploitation. This is the operating environment that the chemical industry and its partners will face over the coming years, Francis stressed.

Cefic established its new SIG on sustainable development in 2015. It has five work streams:

- improving the reputation of the chemical industry, through better communication, including the use of social media, and

the identification of key performance indicators (KPIs) to substantiate its message to the audience;

- stakeholder outreach;
- contribution to the topical agenda, speaking on resource efficiency and the "circular economy";
- promoting "life cycle thinking" along the value chain; and
- promoting an attitude to sustainability within the Cefic membership, by the sharing of best practice and development of means to measure sustainability efforts.

Cefic has also updated its Responsible Care Global Charter, first introduced in 2006. The new version, which was launched in October 2015, focuses specifically on the roles and responsibilities of those companies signing up to RC. The Charter has been signed by the CEOs of some 530 chemical companies around the world.

RC cannot now be separated from the urgent and significant need to address sustainability; a priority on the agenda of the RC SIG is a review of current KPIs and the development of new KPIs to connect to the Sustainable Development SIG.

Cefic continues to promote RC and the 2015 Responsible Care Awards drew 68 entries. Francis said Cefic views the awards programme as a way of strengthening and revitalising the RC initiative, boosting the sharing of best practice across Europe and increasing the visibility of the measures the chemical industry and its partners are putting in place to address public concerns.

Another important element is the growing observance of RC principles around the globe. There are now 58 member associations under the RC umbrella, Francis reported. Sri Lanka and Myanmar joined in 2012, China in 2014 and Vietnam's application was approved in October 2015. Croatia is looking towards 2017 implementation and there are a number of candidate associations in Africa.

Patrick Romeo, general manager for lubricants in western Europe at Shell, looked at RC in the petroleum industry. Current demographic trends point towards a potential doubling in global

energy consumption between 2000 and 2050; however, governments have committed to halving CO₂ emissions over that period. This means that energy efficiency must improve by a factor of four. How this is done will be a political decision, although industry can provide new technologies to allow the choice to be made.

Patrick believes that the use of liquid hydrocarbons for transport fuels will peak somewhere between 2030 and 2040. New demand will be met through a combination of biofuels, hydrogen, LNG/CNG and gas-to-liquids (GTL) fuels. Referring to the "circular economy", he observed that sustainability is not always obvious: using GTL diesel in a Euro 5 engine produces less emissions than regular diesel in a Euro 6 engine, taking upstream factors into account.

MEET ED

Besides working closely with Cefic on the implementation of RC in the transport sector, ECTA also has its own issues to deal with. A survey of its members carried out in 2015 revealed that the main issues they face are:

- drivers being asked to do more work at loading/unloading sites,
- customers being unaware of the Cefic/ECTA guidelines on loading and unloading;
- the administrative burden and extra costs spent dealing with different software systems; and
- a lack of uniformity in ADR training for drivers.

These responses are being used to generate ECTA's action plan for the next three years, which will focus on the promotion of the loading/unloading guidelines, lobbying the EU to harmonise driver training standards, and the promotion of SQAS, RC and other industry-developed standards. ECTA will also address these issues in its RC workshops.

Another item on the agenda is near-miss



OPPOSITE AND RIGHT: TRANSPORT OPERATORS NEED TO BE ABLE TO OFFER THE SERVICES INDUSTRY NEEDS WITH THE LOWEST POSSIBLE IMPACT ON THE ENVIRONMENT

reporting, which ECTA will be highlighting during the first half of 2016. An online tool will be made available to members free of charge and a workshop on the subject has been scheduled for 16 February. This follows on from new guidelines on the investigation of logistics incidents developed in collaboration with Cefic and the European Federation of Chemical Distributors (Fecc) (*HCB Monthly* December 2015, page 51).

ECTA currently has a number of working groups in action or development. Cefic is collaborating in a working group looking at change management, and ECTA has teamed up with the European Federation of Tank Cleaning Organisations (EFTCO) on the cleaning of silo tankers. ECTA is currently looking for volunteers for a second group on the safe loading and unloading of silo tankers, guidelines on which have recently been published. And another task force is discussing IT issues.

Finally, to highlight the role and expertise of ECTA members' drivers, the Association has launched a new character, Ed – the chemical Expert Driver. Ed will be introduced to chemical

companies' logistics and safety departments, with material in various languages, to stress the role that the driver plays in the chain and promote the use of the guidelines on loading and unloading.

To round off a valuable day, delegates gathered for dinner where they were treated to a through-provoking speech by Jean Verheyen, CEO of Nallian, on the subject of data sharing. Companies have done well in putting controls in place on internal processes, he said. However, economic volatility and uncertainty has led to increased use of outsourcing and the loss of process control. There is, therefore, a growing need for the various partners in supply chains to share information and processes, a need that points to greater use of cloud-based applications. He urged operators to embrace the opportunity, referring to plenty of examples of networks and data being regarded as assets in their own right. HCB

More information on ECTA and its activities can be found on the Association's redesigned website at www.ecta.com

