

# ECR – Europe's new sales force

At Ceramitec 2003 in Munich during September, **IM** met with Oliver Koegel and Philippe Bourg, the joint managing directors of Europe Commerce-Imerys joint venture, Europe Commerce Refractory, the new face of Imerys and Europe Commerce refractory mineral sales for Europe.

by Mike O'Driscoll, *Editor*

IN LAST month's issue of **IM** we reported on the formation of a joint venture company between Europe Commerce SA, the long established Luxembourg-based mineral distributor and processor, and French minerals group Imerys SA (see *IM* October '03, p.6).

The 50:50 joint venture, formally established on 8 August 2003, and to become operational on 1 January 2004, is called Europe Commerce Refractory S.à.r.l.(ECR), and is based in Luxembourg. The prime aim of the joint venture is to coordinate sales of refractory raw materials offered by the Imerys group and Europe Commerce into European markets.

Without doubt ECR was one of the main talking points at Ceramitec and in the weeks leading up to it. This was hardly surprising given the position of the j-v's refractory minerals range in the market.

Europe Commerce has been representing Imerys's US subsidiary C-E Minerals (Mulcoa, Alpha Star, Teco-Sil) for over 20 years, and through ECR has now obtained the exclusive representation from Imerys subsidiaries Treibacher Schleifmittel AG, Damrec S.A.S., and Imerys Minerals Ltd for the sale of their products to the European refractory industry.

Treibacher and Damrec are the world's largest producers of fused alumina and andalusite, respectively. Imerys Minerals Ltd, of the UK, produces molochite, a refractory chamotte, and ECR will be responsible only for its sales to refractory markets (it is also used extensively in investment casting). Also under discussion is representation of sales of refractory clays by Ceratera SAS, in France. This may join ECR's portfolio next year.

It is important to note that ECR

will also be handling Europe Commerce's existing product range, such as: kyanite, Kyanite Mining Corp., USA; fused magnesia, Baymag, Canada; processed bauxite MSL Minerais, Brazil; dead burned magnesite, Korea Magnesia Clinker Industry Group, North Korea; dead burned magnesite, China; processed Guyana RASC bauxite; Guizhou round kiln bauxite, China; calcined alumina, Indal, India; brown fused alumina, China; and silicon carbide, Brazil.

The move has had a mixed reaction in the marketplace. Customers have acknowledged that it makes sense and indeed could only have been a matter of time before Imerys would streamline its sales in one way or another.

As they say, "only time will tell", and by this time next year everyone will be in a better position to comment on the merits of ECR and its activities. So how did it all come about?

## Improving efficiency

The reason for the move was prompted by a review in 2002 of Imerys's European refractory raw materials sales system that revealed a large number of diverse agents acting for Treibacher, Damrec and Imerys Minerals Ltd by product and geography, responsible for serving the European refractories market.

Central to directing this exercise was Dr Friedrich Nitsche, ex-managing director of



**The joint managing directors of ECR: Oliver Koegel (left) and Philippe Bourg (right): "We wanted a structure with more transparency of information flow for customers and producers."**

Treibacher Schleifmittel, who was appointed head of the refractories and abrasives division of Imerys in July 2002 (a position formerly held by Patrick Kron, the outgoing CEO of Imerys, replaced by Gerard Buffière in 2002).

As Oliver Koegel, managing director of Europe Commerce, and joint managing director of ECR explained: "We did not expect significant market growth owing to China [exporting low cost competitive materials to Europe] and to the loss of exports of finished refractories out of Europe. We needed to improve our efficiency. The key is the customer. We were losing market through splintered activity and a lack of feed-back from customers."

Up to this time, Europe Commerce was alone acting for C-E Minerals' products into Europe. The volume of their grades handled rose from 30,000 tonnes in the 1980s to a peak of 120,000 tonnes in the mid-90s, which has since fallen off to about 90,000 tonnes for 2003. Europe Commerce added value to its business through its contract-processing plant, Minera GmbH at Andernach, Germany, and more recently through its part-owned mineral processing and refractory recycling plant at Dunkirk, France. All along, Europe Commerce had pursued Imerys for a medium term contract.

Nitsche's efficiency drive brought together Imerys and

**ECR will continue to supply refractory minerals from C-E Minerals Inc., such as Mulcoa calcines produced at the Andersonville, Georgia plant. Courtesy Imerys SA.**



Europe Commerce to explore the best way forward, and after some 12 months of discussion, the conclusion was ECR. "We wanted a structure with more transparency of information flow for customers and producers. We have a strong sales force which is very close to the market," said Philippe Bourg, joint managing director of ECR.

### ECR takes shape

All the same there were still some difficult decisions to be made, including the process of terminating long standing contracts and partnerships. That said, ECR might consider future co-operation with former partners and agents in certain regions.

ECR's staff, led by Koegel and Bourg, will comprise selected sales staff members of the relevant sales product teams from Treibacher, Damrec, and Imerys Minerals Ltd, thus helping to maintain relationships with existing customers. The sales territory will include Europe (east and west), Turkey, and North Africa, but not Ukraine and Russia.

The idea is for ECR to operate an "open system", with ECR's primary objective being to facilitate and co-ordinate sales transactions to the European refractories market. Customers will have the choice to either send their orders direct to the partners (see *chart*), or via ECR.

ECR also plans to initiate increased technical and logistical support which will be attached to each producer, create a new data base, providing customers with more detailed information and testwork. The business of ECR, which gets underway officially in January 2004, will represent some 300,000 tpa of combined mineral volumes, the exact volume being influenced by market demand and currency exchange fluctuations year to year.

Koegel concluded: "Changes happen all the time. We are looking forward to new challenges, and the way ECR will function will be unique."

## Europe Commerce

Established in 1974, Europe Commerce SA (EC) is a service orientated provider of minerals for the refractory industry, based in the Grand-Duchy of Luxembourg. Raw materials are mainly sourced in North and South America, and Asia. EC has partnerships over 25 years with suppliers in various countries in the form of distributor or agency agreements as well as purchasing agreements with selected producers, and which are the basis for a reliable product range of quality minerals. Over the last 15 years EC has developed a range of integrated services to the minerals industry, from drying, primary crushing, and classification by sieving or air separation in combination with secondary crushing or ball mill units. The products from these processes are designed to help the customers to quote for potential business without having the materials in their own inventory or to optimise their "just in time" strategies. Packing of processed minerals in 25/50kg bags or big bags is standard, but the bulk supply from silo units is also offered. All these services can be supplied on a toll basis for a raw material which a customer provides himself. To increase the customer's flexibility and internal cost, EC can offer on the processed grain sizes or flours of the various raw materials and secondary raw materials a service of weighed component systems in big bags which eventually can allow the customer to reduce logistical cost.

### Minera GmbH

The mineral processing and distribution company Minera is a young, dynamic

company located in the Rhine port of Andernach with direct access to the incoming barges. The modern inland port of Andernach with its capacity to handle over 3m. tpa of bulk minerals, general cargo, and containers has become one of the three most important inland ports in Germany, and assures a safe supply over the entire year with minerals being forwarded by barge from major ocean ports in the Netherlands and Belgium. Incoming cargoes by barge, mostly in the size of 0-40 mm, are transhipped by cranes onto a conveyor belt, which feeds directly with a speed of around 100 tph to the drying, and primary crushing unit of Minera. This capacity allows handling of larger cargoes, which are being forwarded directly from an incoming ocean-vessel but also from buffer stocks in ocean ports like Rotterdam. The ideal process flow guarantees the most economic handling so that even the cost of a buffer stock, which is a guarantee for permanent availability of the minerals, will not be detrimental to the final cost of the processed goods. At the plant, a dry storage capacity of over 15,000m<sup>2</sup> for bulk goods in 16 separate bunkers guarantees the flexibility for the supply of four production lines. Depending on the minerals, Mogensen, Locker or Allgaier sieving equipment assure the classification of grain fractions. Barmac crushers and an Alpine Ecoplex roll mill, or an Alpine and a Pfeiffer ball mill assure the specific crushing or milling job. Electro magnets from Eriez and IFE assure magnetic treatment when needed just as

permanent magnets in the process.

Four Chronos bagging units in combination with an automatic shrink-wrapping unit provide products in 25kg and 50kg paper bags. There is a 3,000 tonne silo capacity for bulk truck delivery, but there is also four online units for packing into big bags. Minera offers on request the dosage of up to six components into big bags to save the handling cost of paper bags.

All activities are closely monitored by the quality assurance department. Minera is certified ISO 9001:2000. All product flows are documented by computers in order to assure the traceability of the goods until delivery to the customer. Two laboratories effect permanent control on the production and data are saved in a central computer in order to allow checking on the regularity of the products with an SPC software. Additional control will be effected on products before packaging. Those products are labelled with a barcode system so that the matching quality certificates can be provided upon delivery. Annual SPC control on the standard products is the basis for the specifications submitted to the customers.

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**EC's contract processing plant Minera GmbH, on the Rhine at Andernach, Germany. Minera has a dry storage capacity of over 15,000m<sup>2</sup>. Courtesy Europe Commerce**

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### Minerval SA

The mineral and secondary products processing company Minerval is located at the port of Dunkirk, France. Dunkirk has experienced significant development over the last ten years through the presence of the steel plant Sollac Atlantique, with a production of around 6.5m. tpa of steel.

Bulk materials supplied by the waterway can be directly unloaded into Minerval's premises for storage and further processing. The container terminal also allows the supply of smaller quantities or semi-treated products in big bags. Minerval can process materials of a size of up to 300mm by a jaw crushing primary circuit.

For spent products (recycling) a classifying circuit in combination with a cone crusher can reduce these materials to below 8mm.

Individual cuts into different grain sizes is a second option as well as packing into big bags.

The raw material circuit has the option to either dry incoming products before classification into individual grain sizes or crushing in a closed circuit in a mill down to finer fractions. The finished cuts can be extracted from their silos into bulk bags or component systems can be weighed in a big bag upon customers request.

This option allows equally to integrate a specific secondary raw material in order to optimise the cost structure of the system.

### Vulcaanhaven Storage BV

Vulcaanhaven Storage BV, the storage company for bulk minerals is located in port No. 610 at Rotterdam, the Netherlands. At the sea quay with a 39ft draught, ocean vessels can tranship their cargoes into river barges or coasters as well as directly into dry covered storage bays of 1,250m<sup>3</sup>, per grade, strictly separated from each other. Open top containers and railcars and of course trucks can also be loaded for direct customer supply.



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