

Annual Report 2003



*Serving and promoting
the European pump industry*



The President's address

In the "global" economy of the early 2000's, the low labour-cost driven rise of the Chinese and other Far Eastern manufacturers has put our industry in front of increasingly tough competitive conditions. In 2003, the decision of the European Central Bank to preserve the strength of the Euro has also caused a loss of competitiveness to our products, particularly in the remote markets. Last but not least, in 2003 the continuing conflicts and their devastating effects have added instability and uncertainty to our businesses.

However, even under these uncomfortable conditions, Europe has all necessary knowledge and qualifications to continue to play a major role in the global economic scenario. As European citizens, we collectively have to persist in working for progress and for a higher quality of life: a free and intellectually stimulating social and business environment can promote peace as well as individual and community well-being in a safe and clean natural environment.

Within this broad context, more than ever, Europump is the venue where the talents of our industry get together and share the efforts to enhance the overall attractiveness of the European pump industry, based on a complex technological identity, developed over decades. Understanding the users' needs, making sure that the voice of the pump industry is heard by the Institutions, seeking support to innovation, developing technical and environmental standards to characterize the "made in Europe", all of this belongs to the Europump sphere of activity.

The Executive Council and the Commissions are clearly aware of this mission. In the full respect of fair and loyal competition rules, the Commissions have "accelerated the pace" as anticipated last year in Istanbul; they qualified their activities within programs endorsed by the Council and raised their awareness of the technical and political implications of their work.

Today, Europump can offer a true learning and progress-building experience to the people willing to engage in Commission activities.

It is encouraging to witness the commissions harmonize their efforts, debate standards and produce value for the industry, for example in the form of guidelines such as the Variable Speed Drive book, the most recent joint output of Europump and the Hydraulic Institute, or the European Guide to Pump Efficiency for Single Stage Centrifugal Pumps. Several other guidelines covering different topics are in preparation.

Equally important is the fact that the Executive Council has undertaken to get involved in the regulatory issues surrounding energy saving and environment. Four special mandates have been attributed to four Council members to explore this vast subject and enable Europump to provide guidance to the membership. The Europump Energy Expert Group (EEEG) formed within the Technical Commission is the specialist resource supporting this activity, which we will pursue consistently, in parallel with the European legislative developments.

For these and the other activities described in this report, I would like to extend my sincere thanks to the Europump Commission chairmen and members, to all national associations, companies and individuals providing resources and knowledge to Europump, as well as to our Secretary General for his coordination work. Their commitment and their energy represent the real reason to look at the future with the confidence that we can make it better for our companies, for ourselves and ultimately for our home Europe.



Paolo Marinovich
President

Secretary General: Some ideas for the way forward ...

A new and important task for the Europump General Secretariat in 2003 was the monitoring of political developments in the European institutions and the reactions of other stakeholders.

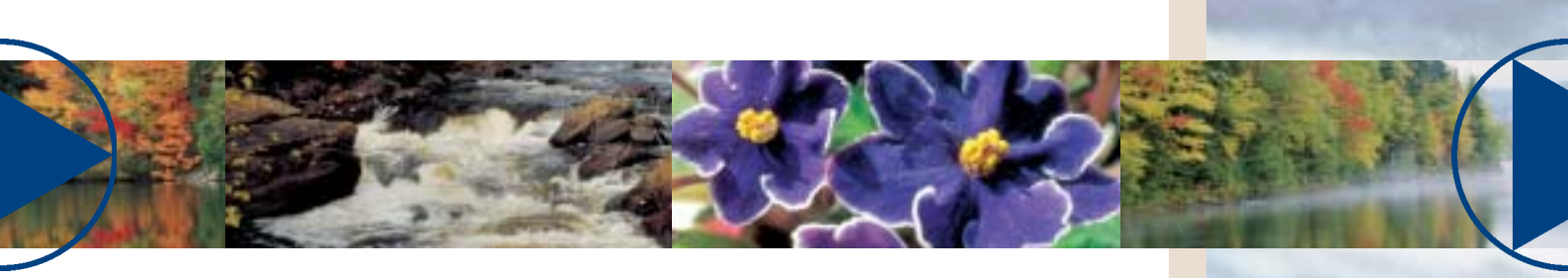
Following the European Union objectives in Lisbon in 2000 for employment, economic reform and social cohesion, and the addition of an environmental dimension to these objectives in 2001, and in the context of an approach to better legislation, the European Commission launched a public consultation and published the results on the Europa website.

Apart from new proposals for directives such as the registration of chemicals (REACH) and the eco-design of energy using products (EUP), some more fundamental and structural issues were addressed. One example is the future role of European standardisation and the

integration of environmental aspects into standards. It is expected that in the future, standardisation will become more efficient and flexible in order to respond to market needs.

Standards will be open for innovation and cover new areas such as services, ICT, consumer and environment protection. Due to the high level of environment protection, standards will also become greener.





The environmental awareness of our pump experts will need to be raised. The pump industry must define the ecological profile of systems and make environmental product declarations. Pump companies must consider the establishment of environmental management systems and integrate them into one system with health, safety and quality.

Europump can help in organising collection of sector-relevant information and coordinating the tools and materials for sectoral training and auditing.

Another fundamental issue is the European programme for enterprise and entrepreneurship 2005-2010. The European Union believes that SMEs are very important for the future of the knowledge-based economy and the creation of more and better jobs.

The Europump SME Commission will need to provide more documentation on the SME sector in the pump industry, representing about 450 companies. What is their expertise? Do they have special qualifications? Are they financially healthy? Do they have access to innovation? Europump must be aware of the needs and problems

of SMEs in order to effectively support this group at regional and European level.

The European Commission foresees several interesting actions on behalf of SMEs, such as information on public procurement, the community patent and enforcement of intellectual property rights, the statute of the European Company, new taxation measures, an SME-friendly regulatory and administrative framework.

Cooperation between Europump SMEs and large companies, national associations and the SME Networking Commission would allow this interesting group of enterprises to flourish and take advantage of European and regional programmes.

All these issues and the new proposals for EU directives illustrate the important role of monitoring performed by the General Secretariat. This will set challenges for Europump, and we will have to decide on how to meet these challenges. Let us all join forces and try to make 2004 a good year, for the benefit of our association and its members.

Guy Van Doorslaer
Secretary General

Major Commission Activities

Standards Commission

The Standard Commission was focused in 2004 on various EC Directives.

- Revision of Machinery Directive is on the agenda of the EC Commission for several years. It was always treated as a priority item. The Irish Presidency is currently investigating if the revision is required and welcomed by all stakeholders. The Pumps industry is not in favor of the completely new directive. Amending the current directive to bring it inline with other, newer directives, is sufficient. However, due to the importance of the document for the industry the Standard Commission will observe all developments closely.
- Framework Directive "Energy using Products" (EuP), is a major project with the European Commission. Europump is supporting the industries and the EC Commission by issuing guidelines like the "Life Cycle Cost Guideline".
- WEEE Directive (Waste of Electronic and Electrical Equipment) is becoming important for all manufacturers of household and consumer equipment. Heating Circulators, Garden Pumps and alike are covered by this directive. The Standard Commission will prepare a position paper on the next meeting.
- ATEX Directive has become mandatory in the middle of 2003. Europump is in a continuous dialogue with Users and Notified Bodies to interpret the document correctly. An updated version of the Europump ATEX Guideline is expected in the second half of 2004.

Position papers as well as guidelines to the various directives issued by the Standard Commission are available for download at the Europump website: www.europump.org.

The Standard Commission is, as in the previous years, also deeply

involved in:

- Elaboration of guidelines and technical specification, which serve as the basis of European and International standards.
- the harmonization of existing national and other standards with the objective to have only one document in a specific field of application which is world wide accepted.

In 1998 Europump and the US Hydraulic Institute established the International Pump Industry Standardization Committee (IPSC). Dr. N. Kastrup on the European side and F. Buse on the American chair the Committee. Since 1999 the IPSC is recognized liaison partner on the ISO Technical Committee ISO TC115 "Pumps".

Currently an IPSC work group is discussing the revision of ISO 9906 "Hydraulic performance and acceptance tests for rotodynamic pumps". The document is based on the current ISO and HI documents. The very positive working relation within IPSC made it possible to find good technical solutions for all differences between the base documents. In the very near future the Pump Industry will have one common test standard in North America, Europe and the rest of the world.

Frank Ennenbach
Commission Chairman





SME Network Commission

The SME Networks Commission in the last six years period has mainly complied with its original task, which is to organise meetings between small and medium size European and North American pump manufacturers looking for qualified potential business partners and to develop synergies to solve common problems.

In 2003 a meeting with the visit of the WILO AG company was organised at Dortmund in Germany, while during the EUROPUMP Annual Meeting in Istanbul we had the great opportunity to know more of the Turkish companies and their products.

This year in April the Commission met in Denmark with the interesting visit of the Grundfos A/S facilities in Bjerringbro.

The enlargement of the European Union to 25 countries, the proposal for a new European private company law, the emphasis given by the European Commission to small and

medium size Enterprise and Entrepreneurship as key of success in the European economy and the environmental eco design approach with all its implications are within the main topics recently presented and discussed.

The impact on the EU regulation and the resources provided by the European Commission suggest the SME Networks Commission, in addition to its original task, to commit in focusing on the role of SME and to support initiative to take advantage from their application.



Carlo Banfi
Commission Chairman

Publications & PR Commission

The commission is responsible for all major publications within Europumps various commissions and also together with external partners. Another area of responsibilities is the liason with independent magazines such as WORLD PUMPS.

It is of vital importance for the European pumps industry to be informed and updated about the directives and standards within Europe but also outside European union as well. And the WORLD PUMP magazine is a useful tool for debate and information about the global development but also all ongoing activities within the European pump industry.

The European pump industry is an important sector within Europe, and engage a lot of skilled people who will play a vital role when it comes to further improve the European competitiveness in areas of energy efficiency and environmental responsibility.

Major Commission activities during 2003 were:

- Follow up on the successful LCC (Pumplife Cycle Costs) handbook which is *A Guide to LCC Analysis for Pumping Systems*. The book has been sold in relatively large numbers and appreciated both in Europe and United States of America.
- The VSD (Variable Speed Drive) handbook is a book covering the potential benefit by using variable speed drive units on various pump applications. This project has been lead by VBPM and

supported by other Europump members and Hydraulic Institute. The publisher is ELSEVIER and has managed to deliver this latest achievement just in time for Eastbourn.

- The collaboration with WORLD PUMPS has been further developed and the objective is to give both parties more visibility and better information "Europump summary" in each magazine
- Europump has printed the report of energy saving potentials for VSD (Variable speed drive) applications with the support from the European Energy department.

The annual report is also one of the Commission responsibilities, the report does look a bit different with its slightly revised layout. We do hope our face lift reflect an organisation, fit and dynamic for future challenges...



Leif Lindberg
Commission Chairman



Marketing Commission

- Work continued to promote the on-line Europump Order Intake Surveys but regrettably Europump was not successful in securing a greater number of company participants. It was therefore agreed that Europump would need to review the value of this service and to decide early in 2004 whether or not it should be continued.
- Some years ago Europump submitted proposals to Eurostat for the improvement of PRODCOM data for pumps. These proposals were rejected but the UK Statistics Body agreed to "pilot" the suggested improvements and they have done so for two years. The results have been good so Europump decided it should once again request Eurostat to consider adopting Europump's proposals. Accordingly an appropriate submission in this regard, and based on changes to the Combined Nomenclature for Pumps, has been developed and submitted to Eurostat. Their response is expected in the Spring of 2004.
- Europump agreed not to retain European Industrial Forecasting to produce the Annual Europump Economic Report. Instead VDMA would continue to produce the report and they were requested to use their own resources to obtain appropriate input data if this was not forthcoming from National Association.
- Europump initiated the idea of combining Commission meetings with a visit to Pump companies, suppliers, users etc and the first of these was held at Lowara Ltd in Vicenza. The process would be continued in 2004.

Technical Commission

The Technical Commission was focused in 2003 on Energy Issues.

Many working groups inside the T.C. are in relation with this important subject:

T.C. has created an Energy Expert Group to support on the technical point of view the recommendations of the Executive Council in order to be more pro-active, effective on this matter.

The scope of that Energy Expert Group is:

- Promoting all existing energy/environmental EUROPUMP guides
 - L.C.C.
 - Attainable Efficiency of Volute Casing Pumps
 - Operating rotodynamic away from design conditions
 - Variable speed drive best practice guide for pumps
 - Labelling of circulators
- Devise policy on Energy labelling that the National Associations wish EUROPUMP to push and adopt.
- Formation of a working group within the T.C. to produce a best practice guide for pump pipework and system optimisation.
- Identification of market opportunities deriving from energy/environmental issues.
- Publication of an article on the European guide to pump efficiency for single stage centrifugal pumps in "WORLD PUMPS".

- A review of the Europump Order Intake Scheme and a demonstration of the on-line Europump member company profiles was given at the Europump General Assembly in Istanbul.
- Liaison was maintained between Europump and the Hydraulic Institute in the USA in regard to statistics policies harmonisation etc.
- It was agreed that in view of current EU Competition Law it would not be appropriate for Europump to conduct another survey of guarantees being offered within the European Pump Industry.



Friedrich U. Arnold
Commission Chairman

In addition the T.C. working groups are fully involved in different activities:

- Noise and Vibrations revised drafts in English are circulating within the National Association for comments, final publication is expected by end of the year.
- NPSH for positive displacement pump: the subject is technically difficult and research work is necessary to provide more reliable data and recommendations. Some National Associations have shown interest and need to progress. The dedicated W.G. has to propose a new schedule and contents.
- Variable Speed Drive (VSD) guide is under publication. This EUROPUMP guide written with the H.I. support represents the state of the art of this technology and will be of a great benefit both for pump manufacturers to promote their products and for pump users regarding technical features, education, and training. In addition to the L.C.C. guide, it gives the main keys to save energy in pumping system.



Jean Francois Lapray
Commission Chairman



The Executive Council 2003

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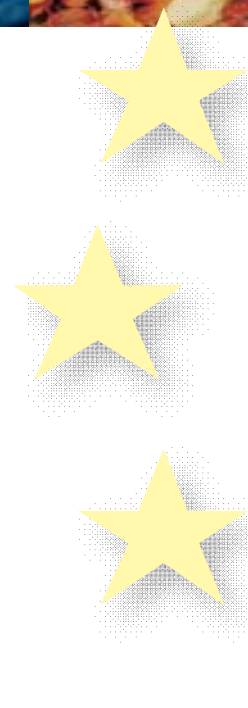
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*Europump consists of National Association
Members in 17 European countries representing
more than 450 pump companies in Europe*



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