

Stop stifling our industry

CHTA Chairman Terry Littlewood comments...

On 20th January, I had the privilege of representing CHTA members at a House of Lords briefing session that the Surface Engineering Association had organised with various Lords, Members of Parliament and Government Officers. Hosted by Lord Hoyle, it was a follow-up to a similar event held in July 2003.

The meeting was attended by SEA Executive Committee members representing BSTSA, MFA, PPFA, CHTA and SEA itself. Whilst each association had particular issues it wished to raise, the overall theme was: "the ever-increasing cost of meeting the constant flow of new legislation (and its associated red tape!) and how this cost threatens the global competitiveness of UK engineering".

SEA Chairman Linda Evans gave a very focused summary of the services SEA members provide to industry. This highlighted how 70% of manufactured products undergo surface engineering and how essential these services are to engineering in extending the life and efficiency of products.

We then highlighted the most recent and onerous legislation/regulations which are

imposing increasing costs and destroying our competitiveness. These included the Restriction of Hazardous Substances Directive, the End of Life Vehicle Directive, the Waste from Electrical and Electronic Equipment Directive, the Current EU Chemicals Policy, the implementation of IPPC, the Landfill Directive and, of course, the Climate Change Levy.

It was stressed that each of these was unnecessarily complex, extremely costly to implement, and very expensive to maintain. In some instances, materials or processes are being outlawed, before economic alternatives are available, and many long-established businesses have ceased to trade as a result.

SEA's message was that sensible legislation that will protect our environment and employees is welcome, but that legislation must be simple to understand and comply with.

Our audience was attentive, responsive, and said it was interested in helping. However, on reflection, I have to report that, although a very sympathetic ear was lent, I do not believe we will see an overnight change resulting in common sense prevailing.

Some of the Parliamentarians present were of the opinion that, in today's global

market, it is impossible to stop manufacturing transferring to low-cost regions in Eastern Europe and the Far East. There seemed little appreciation that the way that legislation is drafted and implemented adds significantly to our costs and is accelerating the transfer of production to countries that, as well as low costs, have minimal legislation imposed upon them regarding employment, health-and-safety and the environment.

Nonetheless, I believe the meeting was worthwhile in that it helped increase Government awareness of how such legislation is seriously undermining our competitiveness. The only way forward must be to continue lobbying and publicising our plight.

Even on Climate Change Levy, where we are confident that heat treatment processes will eventually be allowed some relief, we are not there yet. We must therefore continue to press our case by supporting SEA who are still putting our argument forward with committed enthusiasm (see page 3).

Let's hope that the next issue of *Hotline* is able to report that, by lobbying and working with Government, we have achieved future CCL relief for all CHTA members, if not a retrospective rebate!

For the best in subcontract heat treatment services, go to . . .

www.chta.co.uk

. . . your guide to sourcing from over 70 UK-wide heat treatment specialists



The Contract Heat Treatment Association

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Robert Edwards
Process Metallurgist

AIR PRODUCTS

Ask the expert

Q. How can I increase production *and* ensure the quality of my annealed components?

A. Air Products has developed an advanced control system to help our customers to control the nitrogen-hydrogen atmosphere in their furnaces, thereby eliminating the "trial and error" approach.

tell me more

www.airproducts.co.uk/ate5

Energy Purchasing

Energy experts **Utilyx** consider the many factors influencing current and future gas and electricity prices/supplies. They underline the need for a clear purchasing strategy.

High energy costs, supplier consolidation and stringent environmental controls are just some of the issues challenging energy buyers and companies today. Gone are the days when stable prices meant a quick phone call to your supplier to 'fix in' for another year.

In today's market, understanding the fundamentals and buying at the correct time can help reduce the element of risk associated with procurement and can result in encouraging financial gains. More important, though, is choosing the right procurement strategy for the overall fit of the company.

The UK's energy markets have long since been privatised and many buyers have had experience in operating in the free market arena. It can be argued that perhaps the last twelve months have been the most challenging.

Confronted with volatile energy prices, extreme weather conditions, unprecedented summer gas interruptions, an

extended period of plant maintenance, and fears of winter capacity shortfalls, plus the prospects of escalating energy prices on the back of the EU's Emissions Trading Scheme, it is little wonder that attitudes towards energy procurement have shifted.

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ELECTRICITY

In the past twelve months, the UK has seen electricity prices recover from record lows to levels where industry is now faced with 20-30% price increases. April 2004 annual contracts are currently* at £21.55/MWh versus £17.27/MWh for the same time last year.

Prices have increased primarily on the back of a potential shortfall between generation and peak winter demand for the 2003/04 winter period, the European Union's plans for a Europe-wide Emissions Trading Scheme, and a strong gas price throughout the summer.

Towards the back end of last year, National Grid Transco, the system operator, published its winter operations report, in which it revealed that available generation capacity, for the period, was well below ideal levels; a legacy of low prices in 2002, when it became uneconomic to run plant, and as such a number of stations were mothballed.

The Emissions Trading Scheme effect

The European Emissions Trading Scheme is currently having a large impact on electricity prices, particularly from 2005 onwards, although in recent days* they have softened as participants believe that perhaps prices have been 'overcooked'. Scheduled for implementation from January 2005, the scheme effectively puts a cap on carbon emissions from certain industries, including manufacturing, iron and steel and electricity generation. However, not just these industries will be affected; it will, in some way, affect the bottom line of all commercial energy users in the UK.

A concern to British industry is that the UK is the only country seriously considering caps higher than its commitments under the Kyoto agreement. In its submission to the European Commission of its draft National Allocation Plan, the UK has opted to reduce carbon emissions by 16.3%

*This article was submitted on 27th February.

BODYCOTE USE ENERGY-MARKET EXPERTS TO CONTROL RISK LEVELS AND MAKE SIGNIFICANT SAVINGS

Bodycote Heat Treatments has a 25-year reputation for total reliability and unrivalled expertise in all significant heat treatment processes. Utilising the vast experience of the entire Bodycote International group, operating in 21 countries, its 14 UK plants provide premium heat treatment services to aerospace, power-generation, automotive, railway and general engineering industries.

Running Bodycote's UK plants requires a combination of over 50 gas and electricity meters at an annual cost of £2million. In March 2003, Philip Lee, an Operational Director responsible for energy procurement, began to consider alternative methods of renewing the group's energy contracts, which were due to expire in October.

"Energy is a big spend for us and we needed a better understanding of what was happening in order to manage our

levels of risk, so we asked Utilyx in to bring us up to date. As a result of working with Utilyx, we now have a much better understanding of the market. Ignorance of the energy market is definitely not recommended in the current markets."

Utilyx worked with Bodycote to create a new energy purchasing strategy and handled the online tendering process for 24 half-hourly electricity contracts.

The unique Utilyx on-line e-Procurement system encourages suppliers to reduce the 'risk premium' they add to their prices because the prices are never on offer long enough for the supplier to be adversely effected by spikes in the wholesale market. This means that, although no-one can control the market prices, one is able to control the levels of risk and buy wisely by having expert help on hand and being ready to respond.

In addition, the Utilyx system has been

implemented to allow suppliers to respond with different pricing structures, in a real-time reverse auction, which drives prices down through a competitive bidding process.

In the months leading up to the expiry of its electricity contracts, Bodycote used market information provided by Utilyx to track wholesale electricity prices. These had been increasing steadily, since the spring, and market trends indicated that Bodycote should expect a large increase on last year's prices.

By using the Utilyx platform, the company was able to reduce this potential increase, by squeezing the supplier's margins. The difference between the best price from the cheapest supplier and the best price from the most expensive supplier was over 7%

Obviously, energy costs have a direct impact on Bodycote's operation. Utilyx enabled them to exercise control by ensuring they were ready to go to tender when market conditions were favourable.

versus a 1990 base level, considerably higher than its Kyoto commitments of 12.5%.

As such, the imposed caps will feed into higher electricity prices, penalising industry, and its competitiveness in the international arena. Stephen Timms, Energy Minister, has already inferred that electricity prices will increase by as much as 6% as a direct result of the trading scheme, although some industry observers believe even this is undervalued.

GAS

Price increases have not just been a factor of the power market. A surge in UK wholesale gas prices surprised large energy users and market participants alike throughout 2003 and into 2004, rising by over 20%. The October 04 annual gas contract increased from 19 pence per therm (ppt), at the beginning of the year, to over 23.5ppt in December. Prices are currently* at 24.39ppt.

Towards the end of last year, Ofgem stated that these rises could not be explained by market fundamentals alone, prompting the regulator to announce an investigation. The UK Offshore Operators Association (UKOOA) responded to the investigation, citing a number of causes for such an unexpected increase. Some of the main reasons suggested included; higher oil prices, higher prices for electricity and coal, high continental gas prices (which are indexed to oil), colder-than-normal temperatures in October (which resulted in gas being withdrawn from storage), and offshore problems.

The most notable driver in recent months has been a strong natural gas price in Continental Europe. This has mainly resulted from high crude-oil prices, currently over \$30/bbl, which account for a large proportion of the index-linked pricing structures common amongst industrial and commercial gas contracts.

Supply

Although a reduction in supply from the North Sea is unlikely to happen in 2004, decline and eventual depletion of the UK Continental Shelf (UKCS) has been forecast for the last decade. It could become a reality, with major imports forecast from 2005 and beyond.

The alternative is to import liquefied natural gas via import terminals or increase imports through the Interconnector pipeline. In preparation for this, Ofgem is planning to upgrade the existing Interconnector import capacity to 16bcm by 2005 and also link the Ormen Lange (Norwegian) gas field directly to Britain by 2006. That said, however, it is likely that

North Sea supplies and gas from storage will adequately cope with UK gas demand in 2004.

The Energy White Paper announced the Government's commitment to reducing greenhouse gas emissions by 12.5% by 2010. Although no official line has been taken, it is highly likely that these reductions will be achieved by replacing dirty and old coal-fired generation with cleaner, more efficient gas-fired generation. With gas-fired generation set to play an ever more prominent role in the generation mix, there are suggestions that, within 10 years, it will account for 80% of electricity produced within the UK – it currently stands at 35%.

Should this be the case, gas demand, purely from electricity-generation plants, could increase from 10million to about 26million therms a day within ten years. To put this into context, using the consumption of 170million therms on the coldest day last winter, unless supply is significantly increased to meet the large increase in demand, prices will firm over the next 10 years.

Gas supply interruptions during June 2003 have highlighted the issue of security of supply that is high on the agenda for Ofgem. The interruption of supplies to some customers, in the south-east of the country, forced the DTI to review the procedure for offshore operators to provide gas-flow information.

Agreement has now been reached for the terminal operators to provide Transco with timely information on planned maintenance and unplanned outages that lead to flow reductions at the onshore terminals. This information will allow Transco to prepare for any unexpected changes to gas supply.

PURCHASING STRATEGY

With all these market developments and added costs, it is clear that, in order to avoid the risks associated with purchasing commodities under volatile conditions, a clear suitable purchasing strategy must be adopted.

Research shows that purchasing strategy has changed. Buyers are now taking more of an active role in procurement and in understanding market fundamentals. With offer validities now open for a couple of hours, timing has become a crucial component in energy procurement.

Therefore, choosing the right day, and being able to make a decision quickly, reduces exposure to wholesale market fluctuations, and any premium factored in to prices, leaving buyers safe in the knowledge that they have achieved the best price available on the day.

CCL effort continues

Dave Elliott reports progress in SEA's attempts to render CHTA members eligible for CCL rebates via negotiated climate change agreements (CCAs)*.

Since the last *Hotline* update, December's 2003 Pre-Budget Report, item 7.16 on negotiated agreements, indicated:

"Following detailed discussion with industry, the Government has decided that, subject to further consultation with energy-intensive sectors and state aid approval, it will extend the eligibility criteria for climate change agreements during 2004. Therefore, in addition to the existing criteria, the Government will consider CCAs for sectors which meet a specific energy-intensity threshold, and will look to take account of any competitive distortions in those sectors. Further consultation will take place ahead of Budget 2004 on the level at which the energy intensity threshold should be set, on competition issues, and on the practicalities, including the administrative burden of such a system."

Following on from this statement, there was a third consultation exercise where extra qualifying criteria on internal and external competition were introduced. The SEA, along with the CBI and EEF, opposed the introduction of the competition criteria and stressed that the overriding factor should be the energy intensity of the facility.

A statement is expected in the Budget on 17th March and we have asked for the following question to be raised in the House:

"To ask HM Government why they have chosen to introduce competition criteria to the proposed extension of the eligibility criteria for climate change agreements which is entirely inconsistent with the approach applied to existing agreements."

*Report received on 4th March.

Spread the word by proclaiming your CHTA membership



For use on company letterheads, literature, websites and advertisements, members can download CHTA's logo from the Members Area of the Association's website.

KEIGHLEY LABS AT SUBCON 2004

Staff from CHTA-member Keighley Laboratories Ltd will be heading to Birmingham in April to take part in the *SUBCON 2004* exhibition.

This event will enable Keighley Laboratories to raise its profile across a wide range of engineering and manufacturing markets. It is hoped that this will attract new business for both the subcontract heat treatment facility and the metallurgical laboratory and technical services.

"Because we operate in such technically-specialised areas, it is important for us to promote our services through meeting engineers/manufacturers in face-to-face discussions, looking at their products, requirements, materials and processing questions" says Michael Emmott, Commercial Manager, Heat Treatment.

Keighley Laboratories is continually upgrading its facilities by investing in new equipment and improved processes and controls.

A new additional salt-bath ferritic nitro-carburising line has been successfully commissioned, allowing a total weekly output for this facility of approximately 20tonne (the company has offered *Tufftride* services since 1972). This follows the introduction of a 200kW dual-frequency induction-hardening machine with drop quench facility, which has increased capacity for spin hardening. Another addition is a cold chemical blackening line for imparting aesthetic appeal/appearance.

Keighley's laboratory is benefiting from the introduction of the versatile Perkin Elmer inductively-coupled plasma optical-emission spectrometer, which provides a more comprehensive and speedier analysis service. A new 1000-litre-capacity salt-spray cabinet, capable of neutral salt



spray, CASS testing, prohesion testing (cyclic) to ASTM G85 App. A, and humidity testing, has been installed to further complement the existing corrosion laboratory facilities.

Keighley Laboratories is also pleased to announce that its heat treatment activities have achieved registration to BS EN ISO 9001:2000. This follows all appropriate technical services being assessed by UKAS to the new registration BS/EN/ISO/IEC 17025 during 2003. With the first national accreditation being received in 1923, these are just the latest in recognition of the qualities of customer care that the company seeks to achieve.

A new and improved website is available (www.keighleylabs.co.uk) for those wanting to know more about the wide range of subcontract services available at Keighley (e-mail: info@keighleylabs.co.uk).

ELTRO MOVE

CHTA-member Eltro (GB) Ltd has moved to larger premises at Unit 4, Armstrong Mall, Southwood Business Park, Farnborough, Hants. GU14 0NR (tel: 01252 523000; fax: 01252 522338). MD Jeremy Cockram reports that the plasma-nitriding specialist now operates five furnaces, including facilities for the nitriding of titanium.

NEW DLC COATINGS FROM TECVAC

Cambridge-based Tecvac Ltd has added a new diamond-like carbon coating to its comprehensive range of ultra-hard coating services.

Diamolith coatings are inert, highly wear-resistant and, with hardnesses of up to 4500HV (45GPA), are more than four times as hard as best chrome plate. They are also highly lubricious, with a coefficient of friction as low as 0.05.

Following an exclusive UK marketing agreement with the French originator of *Diamolith*, Tecvac will collaborate with the Innovative Coatings Company on developing new applications of DLC to extend life in aerospace, biomedical and automotive power-train applications.

Tecvac director Peter Carpenter commented, "This new agreement extends our range of advanced plasma-based coating techniques. We have already developed a number of multi-layer ultra-hard combinations from our range of titanium-nitride, chromium-nitride and other advanced coatings, which offer new routes to radical performance improvements for titanium, steel, nickel-chrome and cobalt-chrome in aerospace, gas turbines, medical and high-performance automotive applications. DLC offers the prospect of extending the envelope yet again."

Diamolith coatings offer a unique combination of lubricity and high hardness, to improve radically the performance of automotive power-train components, such as pins, camshafts, lifters, valves, connector rods, clutch sub-systems and gearbox elements. They can be applied to all types of metal surfaces at low process temperatures, typically 200 to 300°C. This includes tool steels, stainless steels, nickel-chrome steels, aluminium, titanium and molybdenum, and their alloys, carbides and beryllium copper.

Diamolith has a wide range of power-transmission engineering applications, but is also compatible with human tissue, with low platelet adherence, high corrosion resistance and low mutagenicity. This allows it to be used in many types of prosthetic surgery, including hip and knee replacement joints.

The *Diamolith* formulation, with a mixture of diamond-type and graphite-type carbon structures, and a density of 1.8-2.2g/cm³, is applied using plasma-assisted chemical vapour deposition (PACVD). It retains original surface characteristics of finished parts, even those with complex forms, re-entrant envelopes and deep-hole bores, with an applied thickness of between 3

CHTA Secretariat

Items for inclusion in *Hotline* and enquiries about CHTA activities should be addressed to:

Contract Heat Treatment Association

c/o WHTC, Aston University,
Aston Triangle, Birmingham B4 7ET.

Tel: 0121 359 3611, ext.5212

Fax: 0121 359 8910.

E-mail: mail@chta.co.uk

Website: www.chta.co.uk

CHTA Secretary: Alan J. Hick

The Contract Heat Treatment Association is not responsible for the statements made or opinions expressed by contributors to *Hotline*.

CHTA is affiliated to the Surface Engineering Association.



Diamolith-coated automotive components.

MEMBERSHIP**New Member**

The latest recruit to CHTA membership is **Wednesfield Shotblasting Ltd**, Planetary Road, Willenhall, West Midlands WV13 3SW (tel: 01902 731781; fax 01902 728023). The contact at this company, offering stress-relieving and shotblasting services, is Michele Green, Director.

Resignation

We regret to record that Leicester-based Bowmic Ltd has resigned membership of CHTA.

and 5µm, depending upon the application. *Diamolith* has high levels of chemical resistance. It is inert in acids, alkalis, solvents, salts and water. In addition, Diamolith creates high-integrity surfaces with an adherent composition, which is highly resistant to thermal changes.

MAINTAINING 'EXPERT' STANDARDS

During 2003, the Expert Heat Treatments

group gained approval to BS EN ISO 9001:2000 at each of its four sites in: Morden, Surrey; Stillington, Cleveland; Gosport, Hants; and Sittingbourne in Kent. In addition, EHT Morden also gained approval to the aerospace standard AS/EN 9100, and maintained UKAS and CAA accreditation for its on-site metallurgical/mechanical testing laboratory. For more information, contact David Rowe or Peter Stokes, on 020 8337 7744 for EHT South, or Jon Race or Barry Maven on 01704 630 353 for EHT North, or visit the EHT website at www.eht.co.uk.

METALLOGRAPHIC EQUIPMENT SOUGHT

CHTA-members Whitham Processing are looking to purchase secondhand metallographic grinding and polishing machines; specifically a Struers *Abraplan* grinder and *Abrapol* polisher, although other makes and models would be considered.

If you can help contact Brian Houghton (tel: 01142 444242; e-mail: brian.houghton@whithamprocessing.com).

MEMBER PROFILE**Kepston Ltd**

Founded in 1916, Kepston Limited now has four sites: three are in the UK and one in the Czech Republic.

At Whitburn in Scotland, the company carries out sealed-quench and gas-nitriding processes. In addition, its new facility for *Tuffride Q*, due to be on line during April this year, will be one of the largest in subcontract heat treatment in the UK.

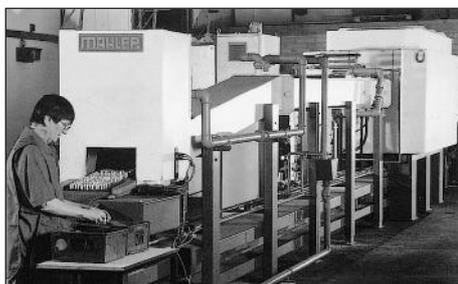
The Wednesbury site is based around protective-atmosphere mesh-belt furnaces and hydrogen-atmosphere batch furnaces. Furnace copper brazing and bright annealing, including soft magnetic materials, are the core activities; however, flame brazing of aluminium contributes to the overall business. Recent investments include the installation of a hydrogen-atmosphere humpback furnace for bright annealing and brazing of stainless steel components. This facility has significantly

broadened the company's range of activities. Other investments include two 460mm (18") mesh-belt furnaces, which are contributing to making the site a "joining centre of excellence".

The Aldridge site is where Kepston first opened in the Midlands in 1976. After successfully operating from there for over twenty years, the company saw the benefit of combining the two Midlands sites at Wednesbury, leaving Aldridge to develop into other avenues. To this end, the site now runs a successful precision jig-grinding operation, including CNC. Not to be outdone in the investment stakes, over £350,000 (Hauser CNC) has been invested in the grinding section over the last 18 months alone.

Last year was a "milestone" for the company. It saw the opening of a site in the Czech Republic, concentrating on bright annealing and furnace copper brazing. It already has on order two additional furnaces, one of which is for stainless steel processing.

All four sites are approved to ISO 9001:2000 and Whitburn is the first to gain ISO 14001. Realising that continual improvement is fundamental to today's survival, the Kepston group is working hard towards achieving ISO TS16949:2002 as a total management system. The benefits of this will see the company gaining in all areas of its activities.

**MEMBERSHIP BENEFITS**

CHTA's affiliation with the Surface Engineering Association means that members have dual membership and are able to tap into additional services provided by SEA and its parent, the British Jewellery and Giftware Federation (BJGF).

Hotline 84 described SEA's business support helpline, providing free telephone advice about tax, VAT, PAYE, payroll, NIC, employment, health and safety or commercial legal matters. As outlined in the Winter 03/04 edition of *SEA News & Views*, this service is furnished by highly-qualified legal and accountancy experts at Croner Consulting.

There is *no limit* to the amount of free use; all you have to do is quote your scheme number as shown on your SEA member adviser card. In order to access the helpline, call 08707 45 45 45.

Meantime, the connection with BJGF permits other member benefits:

- Savings can be achieved on private medical insurance by contacting the Federation's group healthcare brokers, Spencer Lavery & Associates at 203 Ashley Road, Hale, Altrincham, Cheshire WA15 9SQ (tel: 0161 929 9130; fax: 0161 929 9089)
- Preferential car-hire rates have been negotiated with Hertz on behalf of members.
- The Federation has obtained a 25% discount on all business and domestic glass repairs through Solaglas Replacement Glazing.
- Favourable discounts have been negotiated at all the hotels in the Friendly Hotels and Choice Hotels International group.
- Thistle Hotel Group: Thistle Advantage offers a range of benefits including 35% discount on published hotel rates and 10% discount on published meeting rates.

For full details and reference numbers to take advantage of these benefits, ask SEA at the address below.

(No mention of discounted jewellery!)

SEA AWARDS DINNER

The Surface Engineering Association is encouraging CHTA members to attend its Gala Dinner and Awards 2004 evening at the International Convention Centre, Birmingham on Friday, 1st October.

"The premier social function in the surface engineering calendar", this year's event will be hosted by Lord Hoyle of Warrington, compered by Jim Bowen and will feature Simon Weston OBE as keynote speaker.

Details have been circulated by SEA. For further information, contact them at the address below.

Surface Engineering Association

Federation House, 10 Vyse Street, Birmingham B18 6LT (tel: 0121 237 1123; fax: 0121 237 1124; e-mail: info@sea.org.uk; website: www.sea.org.uk)

WEST MIDLANDS COLLABORATIVE COMMERCE MARKETPLACE

An on-line 'portal' has been established with the key objective of increasing sales generated by e-commerce for engineering SMEs.

West Midlands Collaborative Commerce Marketplace (WMCCM) is a free online meeting and collaboration place for engineering businesses in the West Midlands. Operated by the Manufacturing Group at the University of Warwick, and using European ERDF funding, WMCCM provides SMEs with advanced e-business tools, capability and support at no cost.

WMCCM provides access to new business opportunities, introduces the right partners to undertake these opportunities (based on its unique competence-profiling capability) and helps companies sustain these new partnerships/opportunities by providing secure online collaboration spaces. The WMCCM system is now live and fully functional; to learn more about the opportunities available and how you can benefit, visit www.wmccm.co.uk.

For further details, contact Alexios Gegios, Warwick Manufacturing Group, International Manufacturing Centre, University of Warwick, Coventry CV4 7AL (tel:024 7652 4387; fax: 024 7657 2566; e-mail: a.gegios@warwick.ac.uk).

IPSEN CUSTOMER CONFERENCE

The Ipsen Customer Meeting 2004 will take place in Düsseldorf on April 29th and 30th. Held in Germany every two years, the event serves as a platform for exchanging experiences between Ipsen customers from all over the world.

Customers will give presentations on their experiences with Ipsen equipment and Ipsen's experts will report about new technologies/improvements and be available for answering questions. All presentations will be translated simultaneously into English. In accordance with tradition, the Ipsen Customer Meeting has both a vacuum and a controlled-atmosphere technology day.

Ipsen Abar UK Ltd's General Manager Thomas Kreuzaler says that all Ipsen customers from the UK and Ireland are also invited by to participate at a British/Irish Night, after the meeting on Thursday, April 29th. If you are an Ipsen customer and, by some oversight, have not yet received an invitation to the meeting, or would like to take part on the English/Irish Night, please contact Ipsen Abar UK Ltd at 0121 359 5959 for further details.

News for Hotline 96 should be sent to CHTA's Secretariat by no later than 31st May, 2004.

Market Movements

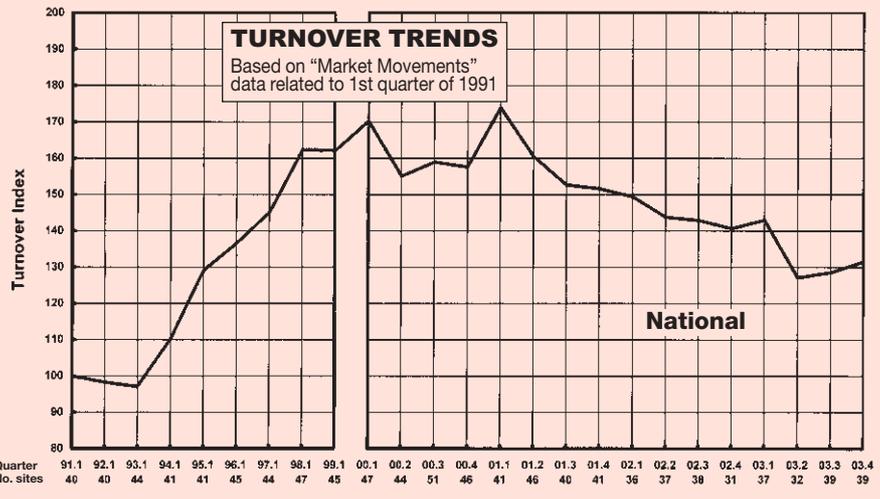
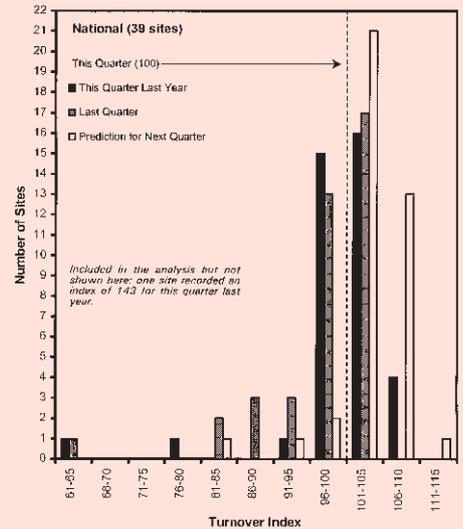
ANALYSIS OF QUESTIONNAIRE REPLIES RELATING TO 39 CHTA MEMBER SITES

**"THIS QUARTER" =
1 OCTOBER –
31 DECEMBER
2003
= TURNOVER INDEX 100**

National

**OVERALL ANALYSIS
(39 SITES)**

	Mean index
This quarter last year	101.6
Last quarter	97.7
Predicted next quarter	103.8



MTI

PRESIDENT VISITS HEAT TREATER

"In what was easily the ultimate plant visit", as MTI's *Open Hearth* put it, US President George W Bush was hosted in December by MTI-member Dynamic Metal Treating Inc (Canton Township, MI), following a fund-raising luncheon in nearby Dearborn. The man pictured with him is Loren Epler, Dynamic's President.



NEW MTI PRESIDENT

Harvey Dominy, an associate with Metroplex Heat Treating in Arlington, TX, has been elected President of the Metal Treating Institute, the North American trade association representing the corporate heat treating industry. He has been in the industry since the age of 14.



STATESIDE STATS

According to returns from participating MTI members, December 2003 commercial heat treatment sales reached \$67.4million, an 11.4% increase over December 2002 when sales totalled \$60.5million. For the year, North American heat-treating sales amounted to \$843.4million, just 0.4% below total billings for the prior year (\$847.0million).