PRE ANNUAL REPORT

2014

PRE
THE EUROPEAN REFRACTORIES PRODUCERS FEDERATION
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1. Message from the President

Dear Members,

Last year was another successful year for PRE, duly reflected in the high attendance at the PRE Congress and General Assembly in Portorož, Slovenia, with over 70 participants.

Over the past year work continued on a wide range of policy issues such as energy, resource efficiency, eco-design, Horizon 2020 and the research project to improve testing methods. In addition to regular meetings with PRE members and European institutions, PRE organised a number of ad-hoc meetings with downstream user representatives, especially in the field of its REACH and SPIRE activities.

PRE also upheld its policy of actively promoting the importance and strategic role of the European refractory industry both at European and global level.

PRE represents 12 national associations in 16 European countries as well as the four multi-national groups which are direct members of PRE for their European activities. Moreover, the majority of world-leading refractory companies are European.

And as global cooperation becomes ever more important, PRE has been deeply involved in the creation of the World Refractories Association (WRA). This platform on which to discuss regulatory issues, circulate statistics and promote the industry, counts three continental associations, three national associations and four multi-national companies as its members. PRE holds the Secretariat of WRA and I am proud to be its inaugural President.

PRE greatly benefits from its membership of Cerame-Unie (CU), the umbrella association representing the European ceramic industry. The year 2014 was marked by the European elections. Cerame-Unie took this occasion to share the industry’s messages in a Manifesto highlighting ten policy recommendations. These recommendations were shared throughout the year at European and national level.

Last but not least, it is important to remember that the success of PRE relies on the manpower and expertise provided by its members. Thanks to the continued engagement of our national associations and direct members we are able to inform European institutions and regulators about the economic importance of the European refractory industry and promote the future development of the European refractory industry.

Thank you for your support, and I hope that you will appreciate this 2014 edition of the PRE annual report.

Yours sincerely,

François Wanecq
PRE President
PRE, the European Refractories Producers Federation, is the European refractory industry liaison office located in Brussels. It was founded in 1953 and offers a European platform on which its members can exchange views and experiences in the common interest.

PRE has no commercial aim. In the scope of EU legislation and standardisation, its mission is to promote the interests of European Refractory Producers. The activities of the federation are aimed at achieving these purposes through working with the European institutions (European Commission, European Parliament and the Council), and a wide range of stakeholders such as the European Committee for Standardization (CEN), the Confederation of European Business (BusinessEurope), and other EU associations such as Eurofer (steel industry), CEMBUREAU (cement industry), CEFIC (chemical industry), IMA-Europe (industrial minerals), Euromines (European mining industry), etc.

PRE is a member of Cerame-Unie aisbl, the European Ceramic Industry Association. Through Cerame-Unie the interests and concerns common to the whole of the ceramics industry are communicated to the European institutions.
3. PRE Membership

PRE represents:

12 National Associations (representing 16 countries, 160 companies, half of which are Small and Medium sized Enterprises)

and

4 Direct Members (multinational groups):

Calderys
Magnesita
Refratechnik
Vesuvius

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4. PRE Statistics

Yearly statistics on workforce, production and sales in the refractory industry in Europe are compiled by the PRE Secretariat with the data supplied by the national associations, and are presented at the PRE General Assembly. These statistics provide information on the different product groups on a country level and are available for members only.

<table>
<thead>
<tr>
<th>Product Group</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Workforce (long-term)</td>
<td>18.879</td>
<td>18.929</td>
<td>19.794</td>
<td>18.023</td>
<td>17.544</td>
</tr>
<tr>
<td>Production (1.000 tons)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total production</td>
<td>3.520</td>
<td>4.122</td>
<td>4.388</td>
<td>3.918</td>
<td>3.793</td>
</tr>
<tr>
<td>Shaped products</td>
<td>2.015</td>
<td>2.312</td>
<td>2.434</td>
<td>2.187</td>
<td>2.123</td>
</tr>
<tr>
<td>Unshaped products</td>
<td>1.505</td>
<td>1.810</td>
<td>1.954</td>
<td>1.731</td>
<td>1.670</td>
</tr>
<tr>
<td>Sales (Mln €)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total sales</td>
<td>2.688</td>
<td>3.170</td>
<td>3.535</td>
<td>3.360</td>
<td>3.081</td>
</tr>
<tr>
<td>Shaped products</td>
<td>1.717</td>
<td>2.074</td>
<td>2.284</td>
<td>2.201</td>
<td>2.085</td>
</tr>
<tr>
<td>Unshaped products</td>
<td>835</td>
<td>961</td>
<td>1.118</td>
<td>1.026</td>
<td>996</td>
</tr>
<tr>
<td>Unspecified</td>
<td>136</td>
<td>135</td>
<td>133</td>
<td>133</td>
<td>0</td>
</tr>
</tbody>
</table>

The data presented are those of the PRE members only, PRE non-members are estimated to account for a further 20% of the workforce and 15% of the turnover.

End-use in tons

Total 2013: 2.9 million tons
**PRE member workforce**

![PRE member workforce graph]

**PRE member production**

![PRE member production graph]

**PRE member sales**

![PRE member sales graph]
5. PRE Activities

PRE Annual Congress and General Assembly
The European Refractories Producers Federation (PRE) held its 61st annual Congress from 4 to 6 June 2014. The event took place at the Slovenian seaside in Portorož and was kindly hosted by the Slovenian Refractory Producers Association ZPOK, the most recent addition to PRE. Over 70 participants from 12 different European countries attended the three day congress.

PRE members were warmly welcomed on 4 June with a cocktail and gala dinner. The meetings began on 5 June with the PRE Executive Committee followed by the Economic Committee. The PRE General Assembly on 6 June was enriched by a keynote presentation by Dr Patrick Vlačič, former Slovenian Minister of Transport, on the strategic and logistic advantages that the country has to offer. Following a successful 2014 edition, we look forward to welcoming PRE members to the 2015 Congress in Istanbul, hosted by the Turkish Ceramics Federation.

PRE Executive Committee
The PRE Executive Committee meets several times a year and is composed of representatives of the six largest national associations and the four direct members. This Committee sets the priorities for the PRE work plan, follows-up on the activities of the different PRE Working Groups and Committees and prepares the financial and regulatory aspects of the PRE General Assembly. The PRE Executive Committee is chaired by the PRE President.

In 2014, members of the PRE Executive Committee were:

François Wanecq - PRE President / Vesuvius plc
Astrid Volckaert - PRE Secretary General
Franz Buxbaum - Austria (RHI AG)
Didier Pessiot - France (IFB Refractories)
Thomas Seger - Germany (RHI Urmitz AG & Co. KG)
Cesare Pegoraro - Italy (Keratech S.p.A.)
PRE Technical Committee and Environment WG

The PRE Technical Committee and Environment WG met in March and October 2014. The main activities discussed related to the outcome of the Carbon Footprint exercise, REACH and CLP, energy and ETS, research, eco-design requirements for industrial furnaces and ovens, the scope of the Construction Products Regulation, the CU document on raw materials and resource efficiency and the review of HS codes.

European funding for research: PRE is a project partner in the ReStaR project, which runs from October 2013 to October 2015. The overall budget for the project is € 1.6 million, of which € 1.25 million is contributed by the EU. The awarded project brings together 13 partners including RTDs and SME companies. The central objective of the project is to improve, promote and ensure the reliability, precision and efficiency of the current European testing standards that form the basis of the technical data sheets for refractory products.

Meeting with ECRA: PRE organised a meeting with the European Cement Research Academy (ECRA). The aim of the meeting was to present both associations to each other and get a better understanding of the research and innovation strategy in the cement sector. A similar meeting was held in 2013 with the steel industry (Steel Technology Platform ESTEP). The cement, steel and refractory (through Cerame-Unie) industries are partners in SPIRE, a Public-Private Partnership (PPP) proposal focusing on research and innovation in the process industries. This PPP will run from 2014 to 2020 and will fund cross-sectoral projects.

Emissions Trading Scheme: The EU Emissions Trading Scheme covers 49 refractory installations. These installations are currently included in the carbon leakage list, resulting in higher amounts of free allocations. The carbon leakage list for the period 2015-2019 was adopted in October and also includes refractory installations (based on a trade intensity of 43.2%). In 2015, discussion will start on the carbon leakage list for the period 2021-2030.

REACH authorisation: Following a public consultation in autumn 2013, the ECHA Member State Committee made a positive recommendation to the European Commission to add (zirconia) Aluminosilicate Refractory Ceramic Fibres (RCF) to the list of substances requiring a REACH authorisation. The next step is for the European Commission to put its position to a vote to the Member State competent authorities. A meeting was held with DG Enterprise in May 2014 (organised by ECFIA). Industry has organised a range of meetings at national level. As a result, the list of recommendations for prioritisation (including RCF) has been put on hold. PRE organised a meeting with Downstream User industries in October. In addition, two industry joint position papers was prepared in 2014. They can be found on the PRE website.

In September, the European Chemicals Agency organised a public consultation on yet two other substances that are relevant for the refractory industry: Borates and Coal tar pitch, high temperature. PRE/Cerame-Unie replied to the public consultation which ended on 1 December. The political process will carry on in 2015, where it will be important to brief national authorities of the industry concerns.
PRE Events and communication

Five newsletters were published and circulated to PRE members in 2014. These newsletters contain information on PRE and Cerame-Unie events, EU policy developments and interesting publications.

PRE participated in a number of international events throughout the year:

- PRE was present at the opening ceremony of the 57th Refractories Colloquium in Aachen in September.

- PRE participated in the CERAMITEC Roundtable on refractories organised in Höhr-Grenzhausen, Germany, ahead of the CERAMITEC 2015 Fair on 20-23 October 2015. The meeting addressed the topic Hidden Champions in their User Industries: Market Trends + Innovation Potentials in Europe. Click here to see a video of the event.

World Refractories Association

The worldwide refractory industry held a second meeting in Brussels on 2 April, followed by a meeting in London on 6 November to mark the official creation of the World Refractories Association (WRA). The WRA constitutes a forum to debate regulatory issues affecting global trade, circulate aggregated industry statistics, promote the interests of the worldwide refractory industry, and act as a counterpart to other world industry organisations such as the World Steel Association.

The newly formed WRA is composed of continental associations including Europe (PRE), Latin America (ALAFAR) and North America (TRI) as well as national associations from China (ACRI), India (IRMA) and Japan (JRA). Multinational companies Magnesita Refratários S.A., RHI A.G., Refratechnik and Vesuvius plc are also direct members. PRE holds the secretariat and Francois Wanecq, PRE President, is inaugural WRA President.

The WRA will be able to collect global statistics on production and employment as well as on safety. To this end, statistics will be collected by the different associations member of WRA on an annual basis and aggregated by the WRA secretariat. The WRA will also discuss possible changes to the HS codes relevant for refractories. As a first step, a Task Force comprising experts from the direct member companies has been set up which will make concrete proposals to improve the HS classification. A new round of revision of the HS codes will start in 2017.

Read more
6. Cerame-Unie Activities

**CU Meetings**
Throughout the year, Cerame-Unie strengthened its contacts with European policy makers. In May CU Presidents held meetings with DG Trade, the Italian Permanent Representation and the cabinets of former Commission Vice-President Tajani and former Commissioner Potočnik. Additionally, regular bilateral meetings on specific dossiers were held with various DGs, members of the European Parliament and Council.

**CU Communication**
On the occasion of the European elections, Cerame-Unie published a Manifesto for the 2014-2019 Parliamentary mandate with ten recommendations in key policy areas. Available in seven languages, you can download the Manifesto or read it online.

CU publishes a Newsletter in January and July, informing EU officials, alliances and members on ongoing policy issues. Subscribe here.

CU is also active on Twitter. Tweets range from reporting on events and projects where CU is involved to communicating relevant EU policy developments and news from CU members or alliances. Follow us @CerameUnie.

**European Parliament Ceramics Forum (EPCF)**
On 8 October Cerame-Unie members attended a welcome lunch for MEPs at the European Parliament organised as part of the EP Ceramics Forum. The aim of the event was to introduce the EPCF to the new Parliament, as well as the Ceramic Industry Manifesto, so as to continue the constructive discussions between industry and policymakers. Hosted by the new EPCF Chair MEP Paul Rübig, the event was an overwhelming success with over 60 participants, including 16 MEPs. Read more.

On 3 December, as part of the 2014 Ceramic Days, MEP Paul Rübig and MEP Elisabetta Gardini co-hosted the 15th European Parliament Ceramics Forum in the EP which featured panel debates with speakers from the European Parliament, European Commission and industry. Three panels explored topics that impact the ceramic industry and are currently being discussed at EU level: the circular economy, the international competitiveness of SMEs and the future of the EU Emissions Trading System. The EPCF was followed by a cocktail reception with a keynote speech by Daniel Calleja Crespo, Director General of DG Enterprise and Industry. Read more.

**CU Ceramic Days and General Assembly**
The 2014 Ceramic Days were organised by Cerame-Unie in December in Brussels. Over 150 participants attended sectoral meetings, the annual Cerame-Unie General Assembly and public events on 3 and 4 December. On 4 December a conference on research & innovation in ceramics explored how the industry benefits from EU funding. Speakers shared facts and figures on schemes available under H2020 as well as tips and tricks for seeking EU funding for ceramic research projects. Read more.
Refractory products are a vital element in all high-temperature processes, such as metals making, the production of cement, petrochemical processes, glass and ceramics. Without refractories there would be no cars, no planes, no trains, no gas or electricity, and we would be eating from wooden plates and living in mud-brick huts.

PRE promotes the interests of European Refractory Producers and offers a platform to exchange views and experiences in the common interest.

PRE is a member of Cerame-Unie AISBL.