PRE ANNUAL REPORT

2012

PRE
THE EUROPEAN REFRACTORIES PRODUCERS FEDERATION
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Dear Members,

In 2011, PRE was pleased to welcome ZPOK, the Slovenian refractory association, as a new member. PRE now represents 12 national associations, present in 17 European countries as well as 4 multi-national groups which are direct members of PRE for their European activities.

The European refractory industry continued to grow in 2011 compared to 2010. However, production remained well below 2007 levels and with the increased cost of raw materials and energy the overall profitability has suffered. On a more positive note, I am glad to report that the workforce has slightly increased for the first time in more than a decade.

Against this background, PRE continued to strongly defend the European refractories industry.

Over the past year, work continued on a wide range of policy issues such as REACH, raw materials, resource efficiency, energy taxation etc. In addition to regular meetings with PRE members or European institutions, PRE organised a number of ad-hoc meetings with downstream user representatives, especially in the field of its REACH 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. In addition to regular meetings and conferences, PRE took the opportunity to present a paper on the contribution of the European refractory industry to resource efficiency at the biennial worldwide congress on refractories, UNITECR, in Kyoto, Japan.

Under the umbrella of Cerame-Unie, the European Ceramic Industry Association, the views of the refractory industry were further emphasized and amplified.

These and other activities are further detailed within this report.

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 make a difference in Europe and support the future development of the European refractory industry.

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

Yours sincerely

Mr François Wanecq
President PRE
2. **PRE Mission and Structure**

PRE, the European Refractories Producers Federation, is the liaison office of the European refractory industry, 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. Environmental and technical questions of importance are treated by the PRE Technical Committee and its various Working Groups.

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 towards the European institutions.

**PRE structure**

In the course of 2011, the PRE REACH WG - set-up in 2007- merged with the PRE Environment WG.
3. PRE Membership

PRE represents:

12 National Associations (representing 17 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></th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
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<tbody>
<tr>
<td><strong>Workforce</strong></td>
<td>22.606</td>
<td>22.444</td>
<td>21.074</td>
<td>18.879</td>
<td>18.929</td>
</tr>
<tr>
<td><strong>Production (1,000 tons)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total production</td>
<td>4.598</td>
<td>4.854</td>
<td>4.618</td>
<td>3.520</td>
<td>4.122</td>
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<tr>
<td>Shaped products</td>
<td>2.768</td>
<td>2.811</td>
<td>2.654</td>
<td>2.015</td>
<td>2.312</td>
</tr>
<tr>
<td>Unshaped products</td>
<td>1.830</td>
<td>2.043</td>
<td>1.964</td>
<td>1.505</td>
<td>1.810</td>
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<tr>
<td><strong>Sales (Mln €)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Total sales</td>
<td>3.092</td>
<td>3.229</td>
<td>3.351</td>
<td>2.688</td>
<td>3.170</td>
</tr>
<tr>
<td>Shaped products</td>
<td>1.840</td>
<td>2.123</td>
<td>2.231</td>
<td>1.717</td>
<td>2.074</td>
</tr>
<tr>
<td>Unshaped products</td>
<td>760</td>
<td>938</td>
<td>977</td>
<td>835</td>
<td>961</td>
</tr>
<tr>
<td>Unspecified</td>
<td>492</td>
<td>168</td>
<td>143</td>
<td>136</td>
<td>135</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 (tonnage)**

*Total 2010: 3.7 million ton*
PRE member workforce

![Graph showing workforce decrease from 2003 to 2010: -32%]

PRE member production

![Graph showing production trend with increase from 2009 to 2010: +18% and decrease from 2008 to 2010: -10%]

PRE member sales

![Graph showing sales increase in 2010 compared to 2003: +21% and 2009: +18%]

5. PRE Activities

PRE Annual Congress
The 2011 PRE congress, hosted by the Austrian Association for Mining and Steel Industry and the Austrian Association for Building Materials and Ceramic Industries, took place in Vienna, Austria, from 8 to 10 June 2011. Presentations by guest speakers were given by Dr. Alfred Maier, Director General Energy and Mining, Federal Ministry of Economy, Austria and Dr. Paul Rübig, Member of the European Parliament, Member of the Committee on Industry, Research and Energy.

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 2011, members of the PRE Executive Committee were:

- Robin Schmidt-Whitley - PRE President
- Astrid Volckaert - PRE Secretary-General
- Giorgio Cappelli - Austria (RHI AG)
- Vladimír Chudy - Czech and Slovak Republics (Refrako s.r.o.)
- Christian Marin - France (Calderys France)
- Thomas Seger - Germany (RHI Urmitz AG & Co. KG)
- Luigi Curletto - Italy (Sanac S.p.A.)
- Jose Maria Dominguez - Spain (Refractarios Alfran S.A.)
- Christian Schenck - Caldehrs Refractory Solutions
- Michael Oberhummer - Magnesita Refractories GmbH
- Guido Weibel - Refratechnick Holding GmbH
- François Wanecq - Vesuvius Group

PRE Technical Committee and Environment WG
Meetings were held in March 2011, in conjunction with the CEN TC 187 (refractory products) standardisation meeting, and in September 2011, in conjunction with the Cerame-Unie technical meetings.

European funding for research: In 2011, PRE re-submitted the proposal “ReStar” for funding under the European 7th Research Framework Programme. The proposal was prepared by ECREF and included 13 partners, amongst which research institutions from 7 European countries as well as SMEs. The aim of “ReStar (Review and improvement of testing Standards for Refractory products) was to investigate, review and optimize the actual European testing standards which form the base of the technical datasheets for all refractory products. The testing standards include: bulk density, open porosity, cold crushing strength, modulus of rupture, permanent linear change and refractories under load.
**Industrial Emissions Directive (IED):** The IED, a recast of the Integrated Pollution Prevention and Control Directive (IPPC), was published in the Official Journal in January 2011. The main purpose of this new legislation is to make the BREF document (Best available techniques Reference document) more stringent, with less derogations to be granted by national authorities. BREF documents are developed in close cooperation between industry and Member States and are sector specific. The Ceramics BREF was published in 2007. In order to raise the importance of the BREF document, the main conclusions of this document will go through an additional political process and be published in the Official Journal. An official guidance document has been prepared over the course of 2011. Cerame-Unie participated actively to this exercise and organised monthly telephone conferences on the issue.

**Eco-design for industrial furnaces:** The European Commission has ordered a study looking into the feasibility of developing mandatory minimum requirements for industrial furnaces and ovens, back in 2012. Large industrial kilns used in energy intensive industries are also part of the scope. Cerame-Unie/PRE participated to the stakeholder meeting in September. A bilateral meeting with the consultants was organised by the German Refractories Association, attended by the PRE Secretary-General, in December 2011. PRE Technical experts provided a wide range of detailed comments to the draft report.

**Raw materials:** In 2009, the EU together with the US and Mexico launched a WTO panel request regarding Chinese export restrictions on a number of raw materials, including bauxite and silicon carbide. It tackles export restrictions such as export duties and quotas, the export licensing system etc. The official panel report has been published on 5 July 2011, confirming the viewpoint of the EU. On 31 August 2011 China appealed the Panel Report. On 6 September all co-complainants filed separate conditional cross-appeals. The final outcome is expected for end January 2012. (The final appellate report, confirming the panel report, was adopted in February 2012).

**Resource efficiency:** This is the key priority for DG Environment in 2011; with a flagship initiative published in February and the annual Green Week event dedicated to “Resource efficiency – using less, living better” as well as the publication of the European Commissions Roadmap to a Resource Efficient Europe in September 2011. Different initiatives have been taken by PRE and Cerame-Unie in this field, notably the organisation of a European Parliament Ceramics Forum dedicated to the ceramic solutions for resource efficiency (with a special focus on refractories) and a booth during the Green Week.

**REACH and CLP** In 2011, two main activities have taken place in the field of REACH and CLP. Regarding the new classification of silica monolithics mixtures according to the Classification, Labelling and Packaging (CP) regulation, PRE organised ad-hoc meetings with the producers and prepared a common letter of information for the suppliers to inform their customers. Regarding Refractory Ceramic Fibres (RCF), which were proposed again for addition to the candidate list for authorisation, PRE organised meetings with the producers and downstream industry and submitted a joint position to the public consultation in October.
New PRE member

In the course of 2011, the Slovenian refractory association, ZPOK, was created and its membership to PRE was confirmed by the PRE General Assembly in June 2011. The association has four member companies: Termit, Togo, Kremen and Seven Refractories.

PRE communication and visibility

Five newsletters have been published and circulated to PRE members in 2011. These newsletters contain information on PRE and Cerame-Unie events, EU policy developments and interesting publications.

PRE contributed to a number of articles in the specialised press:

- The consumer: REACH is an unprecedented complex piece of legislation — Industrial Minerals, February 2011
- Successful 2011 PRE congress in Vienna—Refractories Worldforum, August 2011

In order to further promote the refractories industry and PRE the PRE President and Secretary-General, attended and contributed papers to a number of events such as:


The UNITECR meeting was held from 30 October to 2 November 2011 in Kyoto, Japan. UNITECR stands for Unified International Technical Conference on Refractories and attracts between 600 and 900 technical experts from the refractory and downstream industries. In order to increase the visibility of PRE in this international conference, PRE has submitted a paper on “the contribution of the European refractory industry to resource efficiency”. The paper presented both the resource efficiency of refractories over their lifetime but also demonstrated the resource efficiency solutions the industry can provide for its downstream industries. It was presented by Franz Maier, the Chairman of the PRE Environment WG.
6. Cerame-Unie Activities

**CU meetings**
Throughout the year, Cerame-Unie has strengthened its contacts with European policy makers. Examples include the participation of Commission representatives to CU Committee meetings, the annual CU Presidents meeting with the Commission in April, regular bilateral meetings with DG Trade as well as meetings with members of the European Parliament and Council on specific dossiers.

**European Parliament Ceramics Forum (EPCF)**

On 26 May, the European Parliament Ceramics Forum organised a well attended debate dedicated to resource efficiency. As a truly inter-institutional debate, presentations were made by high level experts from the side of the European Parliament, Commission, ceramic industry and research centres.

This year’s November European Ceramics Forum, chaired by Michael Cashman MEP and co-chaired by Malcolm Harbour MEP, welcomed close to 150 participants, more than ever in the past, thanks to a number of prestigious speakers among which several MEPs, representatives from the Commission (DG Trade, DG Clima, DG Taxation, DG Environment, DG Enterprise), Business Europe, industry stakeholders as well as representatives from Member States.

Special attention was paid to resource and energy efficiency, energy taxation and the low carbon roadmap to 2050. Following the forum, a cocktail reception and a walking dinner were offered. The reception was kindly opened by Peter Balas, DG Trade and Abraao Carvalho, DG Enterprise.

**CU General Assembly**
The CU General Assembly, held on 23 November, approved the 2012 budget and future activities of the association, including the CU Roadmap to 2050. Mrs Sellier, DG Energy, gave a detailed presentation on the European Energy Challenges. At the end of the General Assembly, a panel debate was organised on the future vision of the Ceramic industry, with representatives from the ceramic industry, kiln manufacturers, raw materials producers in addition to a representative from the European Commission and experts on innovation and climate policies.

**CU brochure**
On the occasion of the European Commission’s Green Week, where Cerame-Unie for the first time was present with a booth, a brochure was created with information and pictures on each of the 8 sectors being represented by Cerame-Unie (including PRE). The brochure is available on the website: www.cerameunie.eu.
PRE

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.