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#### HIPH - ESTA

On 8-9 May 2009, we took part in general meeting (AGO) and seating of the committee CDD ESTA. The 2008 ESTA activity report, financial statement and budget for 2009 had been approved. In 2008, the main activity performed by ESTA was aimed at protection of the EU market against import of tubes from the third countries and reacting towards protective measures undertaken in these countries, collecting statistics and monitoring tube import to the EU, environment protection issues, cooperation with the European Commission and Parliament, OECD, Eurostat and others. During product group meetings, ESTA dealt with current situation on the market for particular product groups (welded, seamless, stainless, drawn tubes among others). In 2008, AD proceeding against tube import of welded tubes from Thailand, Ukraine, China, Russia and Belarus came to an end by imposing duty and new AD proceeding against import of seamless tubes from China and hollow sections from Turkey, Ukraine and Belarus was commenced.

#### Steel Industry - Carbon Leakage Sector

On 25 June 2009, the second meeting on carbon leakage and benchmarks was held under the consultations with the industry at the Ministry of Economy in Warsaw. The meeting addressed the following issues:

1. Methodology to calculate indicators for qualifying sectors and subsectors exposed to the emission leakage.
2. Principles to apply for the harmonised distribution of free allowances in the Community.
3. Status of consultations of Polish government with the EC.
4. Status of works on benchmarks.

Management of the Association is active in works under this forum. Arguments and sectoral data to justify the necessity of admitting to steel industry free allowances for CO<sub>2</sub> emission after 2012 were provided by the Management to the Ministry in their letter HIPH/1124/09 of 27 May 2009.

#### HIPH about Excise Tax on Electricity

On 29 May 2009, the Management applied to the Minister of Finance, Mr Jan V. Rostowski, for reducing the excise tax on electricity for steelworks, the large electricity recipients. We write in the justification that due to the weakness of the steel market, steelworks lose their competitiveness today and are forced to reduce production because of high prices of electricity and taxes.

We appealed for reducing the excise tax to 0.5 €/MWh. It would equalize its value differences between Poland and the Western Europe, hence

providing chances for equal competitive conditions. We made it clear that a positive decision by the Ministry would give investors a sign that the Polish government does not approve such a high increase in electricity prices in steel sector and wants to mitigate their negative effects and keep the workplaces.

#### HIPH at Economic Committee of Eurofer

The Committee meets every quarter. The last meeting was held on 23.06.2009 in Brussels. The agenda of the meeting included:

- methodology for preparation of country reports,
- presentation of the reports on the steel market situation in particular EU states,
- preparation of quarterly report for EU (27),
- discussion.

Situation in the steel industry and on the market remains dramatic. The persisting very low steel consumption by the steel consuming industries does not allow to increase production.

This has a negative impact on the labour market and the relations with cooperating firms. There are no signs indicating the 2nd half of 2009 will be more favourable than 1st half of 2009.

#### HIPH Consultations - WFOSiGW

On 22 May 2009, the Management Board of the Association met the Management of the Regional Fund for Environment Protection and Water Management (WFOSiGW) in Katowice. The meeting was to consult "A list of priority projects for 2010 to be financed from WFOSiGW. HIPH Management addressed to WFOSiGW a letter with reference HIPH/1311/09 of 26.06.2009 (full text of the letter available on the website: [www.hiph.org](http://www.hiph.org)).

... We kindly ask you to include tasks aimed at reducing noise emitted to the environment by steelwork installations in the List of priority projects to be financed from WFOSiGW in Katowice for 2010 (and for the subsequent years) under Table 3. Air and noise protection.

Polish regulations resulting from the Law on Environment Protection and the Regulation of the Environment Minister on admissible levels of noise in the environment are very strict.

It is needed to continue investments leading to reduction of noise emitted to the environment by steel industry...

#### Amendments to Legal Regulations on Environment Protection

On 4-5 June 2009, Polish Steel Association organised a seminar on the amendments to legal regulations on environment protection. The training was attended by the representatives of the Ministry of Environment, the Plenipotentiary for REACH at POCH, representative of the Regional Fund for Environment Protection and Water Management in

Katowice. The following bills were discussed:

- Management system for national limits of greenhouse gas emissions or other substances,
- EU system of greenhouse gas emission allowances trading,
- Balance and settlement system for emissions of sulphur dioxide and nitrogen dioxides for large combustion plants and
- Important amendments to the draft of new directive on industrial emissions (IPPC),
- Current and future obligations resulting from the REACH regulation,
- A list of priority projects for 2009 to be financed from Regional Fund for Environment Protection and Water Management in Katowice.

The seminar was attended by the representatives of: ArcelorMittal Poland S.A., ArcelorMittal Tubular Products Kraków Sp. z o.o., Celsa "Huta Ostrowiec" Sp. z o.o., CMC Zawiercie S.A., Huta Batory Sp. z o.o., Huta Łab dy S.A., Huta Łaziska S.A., ISD Huta Cz stochowa Sp. z o.o., Zakład Walcowniczy "Profil" S.A and ZM "Ropczyce" S.A.

### Meeting of Polish Tube Workers Union

On 29 May 2009, another meeting of the Polish Tube Workers Union was held on the HIPH premises in Katowice. The Board of the Association introduced the situation on the steel tube market in Poland and EU in 1Q 2009 and information from the last meeting of the CDD ESTA committee.

In 1Q 2009, the following figures were recorded by tube market in Poland: 21% production drop, 22% export drop and 50% import drop. Apparent consumption was down by 32% while share of imports in consumption was up by 37%. According to opinions of the manufacturers, April recorded further deterioration in demand and production while May and June recorded slight improvement in demand. 30% slope in demand was noted in seamless tubes and hollow sections while 50% slope was noted in cold-drawn tubes.

Sales of welded tubes and hollow section by wholesalers were down by around 50%. Dramatic drop in tube demand combined with low price level forced many manufacturers to cut the weekly working time, even to cut employment.

According to manufacturers, the situation in 2Q 2009 will not improve and at the end of July, beginning of August another drop in tube sales is expected.

### Trade Directors Forum

Initiated by the Board of the Association, another Forum of HIPH Trade Directors took place on 4-5 June.

The following issues were discussed:

- Situation in the iron and steel industry and in the cooperating sectors in Poland and worldwide after 4 months of 2009,
- Directions for imports of steel products to EU in 2009 and the utilisation level for licenses in

import with Russia and Kazakhstan.

- Current state of protective proceedings in EU,
- Assessment of the markets for steel products in Europe and Poland.

According to manufacturers, there are no signs of increasing national demand while prices of steel products retain at very low level. The situation can be improved by the recently visible boom in private enterprises, commencement of infrastructural investment projects and completing the phase of stock sales and starting the phase of stock replenishment in warehouses. 3Q 2009 will be difficult for manufacturers, however, prices are likely to get stable by the time. Europe can expect further reductions in production as the current price level does not allow manufacturers to make profits.

During the meeting, a company Polimex Mostostal presented their cooperation offer in the scope of pro-ecological solutions for the steel industry.

### Side Event to Health and Safety at Work

On 17 June 2009, the Board of HPH in collaboration with the Poznan International Fair organised a theme conference on "Setting directions for occupational health and safety in the industry" during the ITM Polska 2009 Trade Fair in Poznan.

The conference was aimed at promoting the idea of constant development and achievement of the best results in the area of occupational health and safety through incorporating this area into the management system of enterprises.

Delegates of large concerns representing the steel and chemical industry introduced their own solutions and results accomplished in this area. A representative of ArcelorMittal Poland SA delivered a speech on "Safety first of all - zero accidents" and a representative of PKN Orlen SA made a speech on: "Chemical industry safe production and transport". The issue of Health and Safety at Work in programs and methods of education of staff for the industry was presented by a speaker from Higher School of Work Safety Management. Deputy President of HIPH made a speech on the history, role and tasks of the International Work Organisation. The organisation constantly emphasises the necessity of continuous promotion of prevention culture in occupational work and safety, treating the safety and health protection issues as a priority and reducing or eliminating threats and risks in connection with the performed work. Since 2001, 28 April has been recognised as an International Day of Health and Safety at Work.

### HIPH at MTP

During ITM Polska 2009 trade fair (16-19.06.2009), the Polish Steel Association promoted its members steel makers and steel as a material under the Association's stand.

### Jubilees of HIPH Member Companies

Having received invitations from the university management, we actively participated in the following celebrations:

- 15th Anniversary of Higher School of Marketing Management and Foreign Languages in Katowice (19 May 2009)
- 90th Anniversary of University of Science and Technology in Cracow (29 May 2009)

We extended our wishes and congratulations for their high quality of education, study programs and teaching methods addressing the market needs as well as proper education of the graduates' skills. We wished the Management and Teachers of the Universities to successfully continue the research and educational development vision, to be satisfied with the educational and scientific results achieved and for students we wished persistence in gaining the knowledge necessary in their future professional careers.

- 40th Anniversary of Silesian University of Technology Faculty of Materials Engineering and Metallurgy (14-15 May 2009),

- 60th Anniversary of Czestochowa University of Technology (5 June 2009). President of the Board of HIPH made a speech on this occasion on: "Steel industry and crisis challenges".

- 60th Anniversary of Biprostal S.A. in Cracow (18.06.2009). We passed our congratulations and wishes for the accomplishments in the past 60 years of their operation. We expressed our thanks for their activity for development and promotion of modern techniques and technologies which make the steel industry able to operate and develop in a sustainable manner.

### Council of Polish Chamber of Advanced Technologies

Upon the invitation by Professor Jerzy Buzek, we took part in a meeting of the Council of Polish Chamber of Advanced Technologies which took place on 21 May 2009 on the premises of the Scientific and Technological Park in Gliwice. An interesting discussion was based on the speeches on the industry of advanced technologies in the regional development programs for Silesia Agglomeration.

### Ceremonial Session in the Cracow City Hall

On 26 May 2009, upon the invitation by the President of the Cracow branch of SITPH, Mr Jacek Woli ski, we joined the ceremonial Session in the Cracow City Hall held on the occasion of 60th Anniversary of Nowa Huta in Cracow, 90th Anniversary of University of Science and Technology and 60th Anniversary of Biprostal Designing Firm.

### KPP Monitoring Centre

We inform hereby that on the portal of the Legislation Monitoring Centre of Polish Employers Confederation [www.cml.kpp.org.pl](http://www.cml.kpp.org.pl) it is possible to monitor the quality and functionality of the law being created in Poland. The portal supports creation of good law for the economy and promotes the social dialogue.