



October - November 2011

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Standpoint of the sector on NAP II

On 27.10.2011, HIPH received from the Ministry of Environment a draft of the Cabinet's regulation amending the Regulation on adoption of National Allocation Plan (NAP II) for CO₂ emissions for 2008-2012.

The Management of the Board of HIPH asked its member companies included in the emission trade system for their opinion and comments on how the adoption of changes proposed by the Regulation will affect their enterprises.

Based on their opinions, the Board of the Chamber prepared the sector's standpoint in this matter which was then sent to the Ministry on 2 November 2011 (within a deadline set by the Ministry).

Full text of the sector's standpoint is available on our website www.hiph.org.

The Ministry of Environment has already taken into consideration one of our requests of the formal nature extending the consultation period to 21 days. A meeting is yet to be held at the Ministry of Environment regarding the amendment to the Regulation. We have forwarded a copy of our address to the Ministry of Economy and the Ministry of State Treasury asking for their support.

Meeting of the Polish Union of Tube Workers

On 4 November 2011, HIPH hosted a meeting of the Polish Union of Tube Workers. The Board of Chamber presented situation on the steel tube market in the European Union in 1st half of 2011. The meeting addressed the current status of protection procedures and the situation after 8 months of 2011 on the domestic tube market. During the discussion, manufacturers assessed the situation in production and trade in the last quarter and presented their market outlook for 4th quarter of 2011.

In the 1st half the year, import of seamless tubes rose by 25% while import of welded tubes went up by 10%. The biggest increase in import of seamless tubes was attributed by China, Ukraine and Belarus while Turkey, India and Ukraine constituted the biggest import of

welded tubes.

The domestic market, which recorded an increase in orders in 3rd quarter, is expected to maintain or slightly reduce the level of orders in 4th quarter. According to the experts' opinions, the year 2012 will be difficult.

Meeting of Trilateral Team for Steel Industry

The Trilateral Team for Steel Restructuring Social Conditions took place on 17 October 2011 in Warsaw. The meeting was chaired by Mr R. Baniak, Undersecretary of State in the Ministry of Economy. The following issues were on the agenda:

1. Report of the Ministry of Economy from implementation of the governmental Steel Restructuring PROGRAM.
2. An address by the steel industry organisations to the Prime Minister; a joint letter of HIPH, ZPPH and Trade Unions of the Steel Industry regarding prices of electricity and gas.
3. Flexible forms of employment in the steel industry, a case study of Grupa Alchemia.
4. Assessment of the current situation in the sector.
5. Miscellaneous matters.

Mr K. Zareba, Head of the Economic Development Department introduced the restructuring implementation report. He informed that the Cabinet had adopted the document prepared by the Ministry of Economy as a final report, and hence, considered the PROGRAM completed.

Prior to the Cabinet's decision, the Council of HIPH adopted a resolution accepting the report of the Ministry of Economy during a meeting on 17 September 2011.

Under item 2 of the agenda, Mr Talarek, the President of HIPH, presented the main issues from a letter addressed to the Prime Minister regarding an excise exemption on energy products for the energy consuming industries. A briefing on the current situation in the sector was delivered by K. Zareba and R. Talarek. According to the briefing, the situation in the iron and steel industry in the 1st half of 2011 as well as the outlook for 3rd quarter of 2011 was good.

An economic slow-down will be seen at the turn of 3rd and 4th quarter of 2011 due to the Western European economies slowing down.

About gas for the industry

A conference on "New models and performance strategies in the gas market" took place in Warsaw on 27-28 October 2011. The conference was organised by INFORMEDIA. The main issues discussed during the event covered:

- Technical and legislative possibilities of importing gas,
- Ideas for trade in gas - experiences of the European countries,
- Sources of gas available for exploitation in the nearest future,
- Possibilities of shale gas extraction against the Polish gas reality.

Discussion also included possible scenarios for changes in the gas market in Poland, possible liberalisation of the gas market in Europe and Poland, the directions to which the energy law in Poland should change and what should be covered by the Act on gas. Mr Talarek, the President delivered a speech on: "Impact of gas purchasing costs on competitiveness of the domestic industry based on the example of an energy consuming sector such as the steel industry". In the speech, Mr Talarek pointed out the necessary measures which determine and stabilise the market of energy products in Poland.

Seminar on "Trade Policy of new members (UE-12)"

On 8 November 2011, we took part in an international seminar organised by the Ministry of Economy in Warsaw dedicated to the trade policy of the European Union. Representatives of DG Trade of the EC defined basic assumptions of the EU trade policy, its legal framework, perspectives and the areas important for new members of the EU. They explained the rules of conducting negotiations, types of agreements concluded with the third countries aimed at "removing barriers" in their commercial contacts with the EU. DG representatives repeatedly underlined that the partner for the EC in discussions on the trade policy and usage of the market protection instruments were the European industrial sector federations cooperating

closely with their counterparts operating in member countries. HIPH has been an active member of the European and international associations such as EUROFER, ESTA and World Steel Association for many years.

Steelmet trade fair

On 18-20 October 2011, the International Trade Fair Steelmet'2011 took place in Sosnowiec. HIPH had its information stand there.

Start of the academic year 2011/2012

In connection with the inauguration of the academic year, we sent our best wishes to Technical Universities, our members. On top of our wishes, we extended our acknowledgement to Rectors for the educational, scientific and research achievements. We appreciated the investment accomplishments in respect of the scientific infrastructure, laboratory equipment, educational chambers and pavilions. These projects led to significant improvement of the conditions for education and development of scientific tools, often for the benefit of the research unique on an international scale.

CDD ESTA

On 9-10 November 2011, Düsseldorf hosted a meeting of CDD ESTA Committee. The meeting covered the following issues:

- Information exchange concerning new investments, organisational and ownership changes which have taken place in the tube sector in particular countries of the EU since the previous meeting of the CDD Committee was held,
- Status of the protection procedures led in the EU and the third countries,
- Introduction of statistics on tube production in the EU in first 9 months of 2011 as well as tube import and apparent consumption in the European Union in 1st half of 2011.
- Discussion on the market trends and situation in raw materials,
- ESTA budget assumptions for 2012 and action plan for next year.

The following are the conclusions from a discussion on the market situation:

- Collapse of the market in Spain, Romania and Italy; possible recession in 2012,
- The situation on the market of welded tubes similar. A major increase in imports

from outside the EU (mainly from Turkey, Ukraine and India),

- As regards the market of seamless tubes, the perspectives in 2012 are better, especially for OCTG tubes.

The next meeting of the Committee of CDD ESTA will be held in Poland in May 2012.

Conference: "Voluntary Way - Going Further"

On 11 November 2011, there was a conference organised in Lisbon by the Portugal trade union organisation, SIMA under the EU-funded project "Voluntary Way - Going Further". The conference was dedicated to implementation of Directive 2002/14/EC of the European Parliament and the Council of 11 March 2002 establishing the rules of providing information and conducting consultations with the employees in the European Community. The Directive determines a minimum level of information and consultation rights of the employees, in particular in matters such as the economic standing of their enterprises, development plans, threats to employment, changes in organisation of work and collective agreements.

The conference presented experiences of enterprises across various sectors in different countries in respect of providing information and conducting consultations with the staff based on the example of Alstom, Toyota and Schneider Electric. During discussion panels, the representatives of trade unions and employers' organisations from the EU countries and from outside the EU tried to show different ways of implementation of the above mentioned Directive. The Conference was attended by the Deputy President of HIPH.

Farewell

On 5 November 2011, we lost Mr Stefan Tomala, the President of the Board of BIPROSTAL S.A., an outstanding engineer and a great Man, a Friend of many of us. May He always stay in our memory!