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### Meeting at the Ministry of Economy

On 30.07.2010, the Ministry of Economy hosted a meeting of the President of the Board of HIPH with representatives of the Ministry of Economy (Economic Development Department and Energy Safety Department), Ministry of Environment (Climate Change Department) and KASHUE/KOBIZE. The meeting which was held in Warsaw addressed the issue of free allowances for CO<sub>2</sub> emissions for the steel sector and the cooperating sectors in 2013-2020.

Other subjects of the discussion included:

- completed and planned sectoral investments affecting allocation,
- providing iron-bearing raw materials for the sector,
- technical and innovative projects reducing energy consumption of the steel sector.

The Polish Steel Association prepared the relevant elaboration including conclusions and suggestions from the discussion held at the Ministry of Economy and opinions of particular steelworks and then passed them on to the Ministry of Economy, Ministry of Environment and KASHUE/KOBIZE.

Copies of the elaboration were disseminated among all members of the Polish Steel Association.

### Power Sector Team

On 5th August 2010, the Board of HIPH called a meeting of the Power Sector Team.

The meeting was to work out comments to a draft of the Regulation of the Ministry of Economy on the obligation of purchasing electricity generated from renewable sources.

The Management Board of the Polish Steel Association prepared the sector's standpoint in this matter for the Ministry of Economy (a copy was disseminated among the steelworks concerned).

The standpoint emphasises that according to the Council's Directive 2003/96/WE, steel and ferroalloy producers meeting the criteria as the recipients applying energy consuming processes, should be exempted from the obligation of purchasing property rights to the certificates of the renewable energy origin.

### Forum of Trade Directors

On 24-25 June 2010, the Management Board of the Polish Steel Association organised another Forum of Trade Directors of HIPH.

During the meeting, the following issues were discussed:

- Situation in the steel industry in Poland and worldwide after 5 months of 2010,
- The status of trade transactions with the third countries and inside the EU,
- Reaction of the EU industry towards an appeal addressed by Russia to the European Commission for introducing changes to the bilateral agreement to increase export quotas for steel products from Russia for 2010,
- Trade policy of the EU - the current state with respect to market protection against import of steel products from the third countries and protective measures taken up by these countries,
- The status of sales of steel products in Poland and Europe in the first half of 2010,
- Coke production and trade in connection with steel production.

The market prognosis for 3rd quarter of 2010 was presented. The prognosis for coke is moderately optimistic. The market for cold-formed closed sections is very unstable and hard to predict.

There is some concern over price increase of the raw materials and semi-finished products and weaker than predicted demand for hot-rolled products in Poland. Foreign competition is strong.

## HIPH about NPREGC

The steel industry views positively an initiative taken by the Polish government to elaborate and implement the National Programme for Reduction of Greenhouse Gas Emissions (NPREGC).

In its opinion, HIPH applied to the government for:

- taking into account diversification of energy sources when elaborating the Programme,

- inviting the business and scientific circles to participate in works on NPREGC,

- ensuring consistency of NPREGC with other sectoral programmes and compliance with programmes of the European Commission.

Polish Steel Association applied for establishment of institutional supervision over the Programme and allocating the relevant funds along with indicating their sources.

We also applied for NPREGC not to be solely the cost for the domestic industry including the steel sector.

We showed that installations for the steel production in Poland meet BAT standards and the potential for GHG emission reduction by the domestic steel industry is in fact smaller than assumed in the Report by McKinsey & Company.

## Steel for the Power Sector - electricity for the industry

The Management Board of HIPH in collaboration with TAURON S.A. is organising a conference on: "Steel for the power sector - electricity for the industry". The conference will create, on one hand, an opportunity of making certain conclusions of the previous collaboration of steelworks with the power sector and, on the other hand, a chance for both partners to better prepare for the market reality and changes to the Polish legislation resulting from the climate and energy strategy adopted by the Polish government.

The conference will be held from 30 September to 1 October 2010 at the

Kliczków Castle near Wrocław and will be addressed to energy managers and those who consider the power sector as an attractive market for their products.

## Trade mission to Algeria

From 20 to 26 September 2010, upon invitation of the of Chamber of Commerce and Industry of Algeria, Polish Chamber of Commerce (KIG) is organising a mission of Polish companies to Algeria. The mission is aimed at establishing mutual commercial contacts during, among others, International Industrial Fair Alger Industrie'2010.

For further information, please visit: [www.kig.pl](http://www.kig.pl)

## Trade Mission to Canada

On 17 to 25 October 2010, KIG in collaboration with Trade and Investment Promotion Department at the Polish General Consulate in Montreal, Exporter and Importer Association of Canada and Polish-Canadian Chamber of Commerce is organising a Polish trade mission to Canada.

The mission is aimed at presenting the Polish export offer and establishing commercial contacts with potential Canadian business partners. The mission will be part of Business Forum - CENTRALIA2010.

## Regional co-operation between Silesia and Asturias

On 24 June 2010, the Management Board of HIPH participated in a meeting of the representatives of the Voivodship Office and Asturias. Terms and forms of co-operation between local governments and regional institutions were discussed. Organising a trade mission to Spain and Poland as well as a conference on heavy industry and environmental protection is under consideration. The nearest trade mission to Asturias will be held in Spring 2011 and will cover, among others, technology transfer and innovation applied by the industry. Information materials presenting Asturias region are available at the HIPH's office.

## Conference emission trade

In early November, HIPH intends to organise a conference dedicated to the management of emission allowances and emission monitoring which will be addressed to people who manage the allowances.

We have invited experts who will share their knowledge and practical experience on how many, when and where to sell whether to sell the emission allowances at all. The experts will advise how to cope with caps being too low and how to minimise losses or how to utilise the allowances held in order to maximise profits.

## Negotiation on the contract on free trade of EU with India

Upon consultations with members of HIPH, we sent an appeal to the Ministry of Economy regarding the contract on free trade of EU with India.

We appealed for suspending or reducing by the Indian side customs duties on hot-rolled products, steel tubes and steel structures.

We also appealed for making possible duty-free import of pig iron, ferroalloys and scrap metal.

## We gave our opinion to the following regulation drafts:

- on a template for collective report on batteries and used-up batteries,
- on annual report on the management of batteries and used-up batteries,
- on annual report on types and weight of the used-up batteries accepted for processing and processed and the recycling levels achieved along with justifications and OSR,
- a draft of assumptions for VAT Act.

As steelworks did not raise any comments to the above regulation drafts, the Polish Steel Association notified the relevant Ministries of the lack of sectoral comments in this respect.