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HIPH's Council

On 31.03.2010 the Management of HIPH hosted a meeting of the Council of the Polish Steel Association at their office. The meeting was held in the accepted order of the debate.

In the first part of the meeting, the Management Board of the Polish Steel Association introduced situation on the steel, coke and refractories market in the first quarter of 2010. Many countries recorded steel output growth.

The second, main part of the Council's meeting raised the issues in connection with the coming 23rd General Assembly of the HIPH's Members which will end 9th term of office of the present Management Board and the Council and thus will have the reporting and electing nature.

The Council listened to drafts of the activity reports of the Management Board and the Council as well as the financial report. Then, the reports were discussed.

The Council of the Polish Steel Association was introduced the proposed agenda for 23rd General Assembly and the information regarding the HIPH's financial activity in 2009. The Management Board also introduced the expenditures estimates for 2010 and the framework agenda for the HIPH's operations in 2010-2012. The Council decided, by adopting proper resolutions, to accept and recommend the report, the 2010 expenditures estimates and the framework agenda for the operations in 2010-2012 to the General Assembly for adoption.

Union of Polish Tube Workers

On 2 March 2010, the Management Board of the Polish Steel Association initiated and held a meeting of the Union of the Polish Tube Workers. The following issues were raised:

- impact of the economic crisis on the tube market in EU and Poland,
- effectiveness of the protective procedures of the EU market and the results of the market protection in the third countries,
- tube output forecasts for 2Q of 2010.

In 1Q of 2010, the domestic market recorded the retained weak demand for tubes caused by the investment slow-down due to severe winter conditions. The situation slightly improved in early March, however, the orders are still placed with a 2-3 week notice. Financing problems are encountered. Banks retain an excessive caution when treating companies including those operating in the steel sector. Tube manufactures see new opportunities in the investment projects planned by the energy sector. The cooperation between HIPH and ESTA in 2010 was also discussed. Ms Joanna Kruk from ArcelorMittal Tubular Products Kraków was appointed to represent the Polish manufacturers in the ESTA welded tube committee.

REACH Working Group

On 4 March 2010, the HIPH's office hosted a meeting of the REACH Working Group. The meeting was attended by representatives of the electrical steelworks.

The working timetable for the coming 2 months was agreed and a motion to the Ministry of Economy was prepared for interpretation of the waste treatment regulations in REACH with respect to slag, EAF dust and scales.

Meeting at the Ministry of Environment

On 10 March 2010, the President of the Polish Steel Association meet Mr. Tomasz Chruszczow, Director of the Climate Change and Atmosphere Protection Department at the Ministry of Environment. The following topics was raised:

- the sector's standpoint on benchmarks for 2013-2020
- the status of works of the Ministry in relation to NAP II.

Trade Directors' Forum

On 18-19 March 2010, the Management Board of the Polish Steel Association organised another HIPH Trade Directors'

Forum in Ustro . The following was discussed:

- impact of the global crisis on the condition of the steel industry and the cooperating sectors
- steel trade inside the EU and with the third countries,
- EU trade policy and the current state of the market protection,
- protective measures taken up by the third countries,
- the state of the markets for steel in Europe and in Poland in 1 quarter of 2010.

Forecast for 2 quarter 2010 was presented. The concerning issue is the price increase of the raw materials.

Meeting of the Environment Protection Team

On 23 March 2010, HIPH hosted a working meeting of the Environment Protection Team at the seat of the Polish Steel Association. The participants agreed on the sector's opinion to the new draft of NAP II as well as the scope of the steelworks' preparation of pro-forma emission reports for the period after 2013 based on the benchmarks proposed by the European Commission.

Power Industry Expert Team

On 23 March 2010, the Management Board of HIPH called a meeting of the Power Industry Expert Team. The meeting was aimed at working out the sector's conclusions by the large electricity and gas recipients with respect to the energy policy and possible ways to reduce energy consumption in the sector. The opinion was presented to the Ministry of Economy during the review of the Polish energy policy by the International Energy Agency. A meeting on the subject was held in Warsaw on 01.04.2010.

No excise reduction on electricity

On 23 March 2010, the Council of Ministers adopted a bill on the amendment to the excise tax and some other legal acts. This bill does not provide for any change to the excise rate on electricity, nor excise exemption for the energy

consuming enterprises.

The European Union's regulations allow for reduction of the excise tax rate on electricity paid by the energy consuming industry. In Poland we were not given this possibility.

The Ministry of Finance is afraid of lowering the state budget revenue (the 2009 revenue of the State Treasury from the excise tax on electricity accounted for PLN 2.24bn). The excise makes significant differences for production costs and thus has a destructive impact on the competitiveness of the energy consuming sectors of the Polish industry. In spite of numerous efforts, the Management Board of the Polish Steel Association as well as other interested organisations did not managed to achieve reduction of the excise on electricity.

Obstacles in accessing the markets in the third countries

On 26.03.2010, a seminar was held in Warsaw with participation of the representatives of the Ministry of Economy, DG Trade of the European Commission and the invited representatives of the industry (steel, chemical and automotive). The seminar was dedicated to trade obstacles in accessing the markets in the third countries. Petros Sourmelis, the Head of the Market Access Unit in the EC's DG Trade presented the measures taken up by the EU in order to lift the trade barriers. The negotiations on trade policy with the third countries are conducted by the European Commission in consultation with the Trade Policy Committee on the basis of mandate obtained from the member countries. The Polish representatives also take part in works performed by the Committee.

The Ministry of Economy appointed a Team to deal with barriers. There is an on-line form available on the website of the Ministry for business organisations, associations, chambers which can directly raise problems encountered in export. We were involved in the discussion by presenting the situation in the steel industry and the market access barriers introduced by the third countries since the beginning of the crisis.

The seminar's information materials are available at HIPH.

Clean Coal Technologies

On 5 March 2010, the Chamber attended the conference on "Clean Coal Technologies".

The conference presented the effects of the new energy and climate policy for Poland. There was a discussion held on the safety of the underground CO₂ storage as well as research and development programme for clean coal technologies and gas production from domestic deposits. Following the new energy and climate policy, Poland aims to become the European leader in clean coal technologies.

About REACH at the Ministry of Economy

On 31 March 2010, the Polish Steel Association participated in a consultation-type conference regarding the draft of the Regulation of the Minister of Economy on limiting bans or conditions for production, trade or application of the hazardous substances or preparations as well as on introducing to trade or using the products containing such substances or preparations.

Presidium of KIG

On 25.03.2010, the National Chamber of Commerce (KIG) hosted a meeting of the KIG's Presidium.

One of the more important issues was the acceptance of the report from the 2009 activity of the National Chamber of Commerce along with the financial statements.

We took part in the following events:

- Press conference organised by PAIIZ on "Investments during the economic crisis" (9.03.2010)
- A meeting of SITPH's seniors. The President of the Board delivered a speech on: "Situation on the steel market in Poland and worldwide" (12.03.2010)
- A conference of the Refractory Association held in Ostaniec (25.03.2010)