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First meeting of the newly appointed HIPH's Council

The first meeting of the newly appointed Council of the Polish Steel Association was held in Katowice on 15 June 2010. Mr Stefan Dziennak from ArcelorMittal Poland S.A. was appointed the Chairman of the Council, Mr Józef Siwiec from ZM Ropczyce S.A. was appointed the Deputy Chairman and Mr Marek Misiakiewicz from Huta Batory S.A. took on the role of Secretary. Congratulations!

Union of the Polish Tube Workers

On 10 May 2010, Huta Batory hosted a meeting of the Union of the Polish Tube Workers. The subject of the meeting was the current situation on the steel tube market in Poland and the EU. The Management Board of the Association introduced data about the domestic and European production of tubes, volumes of import from the third countries as well as the present state of market protection proceedings undertaken in the EU and other countries.

The representatives of the producers provided their assessment of the market and prognosis for the upcoming period. The issues underlined included the maintaining weakness of the demand, the negative impact of persisting high prices of the raw materials, difficulties in obtaining credit and problems faced when insuring transactions against the ordered volumes and financial result by the manufacturers.

Due to suspension of major purchases by Polish recipients and postponement of the planned investments (such as in power sector, for example), the domestic market was considered to be difficult.

A better situation can be observed on the foreign markets, in particular in relation to an assortment of boiler tubes, drill pipes and casing.

In connection with the General Meeting of ESTA (11.05.2010), there was a discussion held about the membership fees and terms of cooperation between HIPH and ESTA in 2010. The Management Board summarised the participation of manufacturers under a joint stand during TUBE'2010 in Düsseldorf which was organised by HIPH.

ESTA

On 11 May 2010, the General Meeting of ESTA took place. The performance report for 2009 as well as financial statements and the budget for 2010 were approved. In 2009, the main activity taken up by ESTA included:

- the market protection measures (anti-dumping duty on seamless tube import from China and the protection taken up by Russia, the Ukraine and Iran),
- collaboration with the European Commission and Parliament as well as OECD and EUROSTAT and others,
- ETS issues.

The ESTA product groups dealt with an assessment of the situation on the market of particular product types (welded tubes, seamless tubes, precision tubes and others). The CDD Committee dealt with the protection proceedings in the EU and the third countries, deliveries and prices of raw materials for tube production. The Committee also discussed the ecology-related issues.

Social Dialogue Committee on Steel

On 12 May 2010, we participated in a plenary meeting of the Sectoral Social Dialogue Committee STAL of the European Commission. The meeting addressed issues such as a new industrial strategy of the European Commission, the production and social situation in the sector as well as the present situation and prospects for the European steel industry. The European Commission (DG EMPL) introduced a document elaborated at the Industry Competitiveness Conference: "The role of politics in difficult times", containing a new industrial strategy of the EC promoting the knowledge-based industry and the eco-friendly industry, lower in emission.

The present situation and prospects for the steel market in view of the crisis coming to an end were introduced by the representatives of EUROFER and trade unions (EMF). They emphasised the following issues: the impact of the rapidly growing prices of raw materials on the slow-down of the economic growth, the risk involved in carbon-leakage and problems of the steel sector to acquire well-qualified personnel. With regards to the market occurrences, the

growth results more from the growth in export and replenishment of stocks than from the internal demand which maintains at a low level.

Steel Industry, Raw Materials at EEC

This year's European Economic Congress (EEC) organised under the patronage of Jose Manuela Borroso caught a big interest of the representative of politics, business, science as well as media.

The steel industry-related panel was held on the 3rd day of the Congress (on 2nd June 2010). Following the usual practice, part I was dedicated to steel manufacturing while part II was assigned to steel products' distributors.

The President of HIPH was a moderator of the "manufacturing" part and the Association was a partner of the event.

A speech: "Conditions for the sustainable development of the steel industry in Poland against current transformations on the global market" delivered by Dr R. Talarek, the President of the Association, constituted the grounds for discussion.

Mr Sanjay Samaddar, the President of ArcelorMittal Poland made a presentation on: "Challenges for the European steel business".

The panel speakers exchanging the views and opinions on behalf of their organizations included among others:

Mr K. Walarowski from Złomrex S.A., Mr. A. Aleksejevs - Severstallat from Silesia Sp. z o.o., Mr W. Here niak from Polski Koks S.A. and other representatives of the raw material sector.

The situation on the steel market is slowly improving. The challenges faced by the manufacturers are high prices of raw materials and new rules of agreements signed for their purchase, prices of electricity and gas as well as more and more difficult requirements (resulting in a cost increase) under the climate and energy policy.

The delegates appealed to the EU and national administrations to note the arguments of the manufacturers with respect to spatial policy of the EU.

Energy Policy and GHG reduction raised at the Polish Parliament

On 7 June 2010, the Polish Parliament hosted a conference on: "Challenges of the energy policy potential for the greenhouse gases emission reduction in Poland". The event was attended by MPs, representatives of the industry, science and the company McKinsey & Company.

Technical methods of reducing CO₂ emission were described showing the costs as well as benefits of application of these methods to the Polish economy. An appeal was made for correcting the activity of business circles and MPs. The discussion was held with the aim at transferring the conclusions and comments of the above circles to the final version of the Energy Efficiency Act. The President of HIPH joined the discussion and described the structure of the national energy consumption pointing out the potential possibilities of energy saving and emission reduction in the energy sector alone. He protested against the strategy of energy policy abounded in the legal regulations which transfer the costs of such measures exclusively to the energy recipients. The lack of the actual electricity and gas market will lead to the loss of competitiveness by numerous industrial sectors including the steel industry. This statement was accepted and reflected in conclusions of the conference.

INOP

On 9 and 10 June 2010, a conference: "Structure and technology of extruded profiles and mouldings" took place in Wasowo near Poznan. We attended the event with the aim of acquiring new partners for taking up joint actions towards more effective usage of innovative technological solutions in metal plastic working in the construction of machinery and equipment. Machinery and equipment is the second steel consuming sector after construction in Poland..

METALFORUM' 2010

This year's edition of the Poznan International Trade Fair Innovations, Technologies, Machines Polska' 2010 was held on 8-10 June 2010. At the fair in Poznan, the Polish Steel Association promoted numerous products of its members on its own exhibition stand.

The majority of the fair's exhibitors offered machines ready to use, their spare parts, mechatronics, electro-technical systems as well as research and development projects.

The machinery sector is a large "consumer" of steel (around 11% of the domestic consumption). It is good that the Association had its own stand during the fair.

20th Anniversary of RIG and 55th Anniversary of ICHPW

On 11 June 2010, the Regional Chamber of Commerce in Katowice celebrated its 20th Anniversary while the Institute for Chemical Processing of Coal (ICHPW) in Zabrze celebrated its 55th Anniversary.

We passed on the appropriate wishes and congratulations on behalf of the Management Board, the Council of the Association and the whole of the community represented by HIPH.

50th Anniversary of Rolling Mill

On 11 June 2010, ArcelorMittal Tubular Products celebrated 50th Anniversary of Rolling Mill at Chocholowy Dwór in Jerzmanowice. The Management Board passed on the appropriate wishes and congratulations.

The events we attended:

- Celebrations of Steelmaker's Day organised by SITPH Branch in D browa Górnicza (28.05.2010),
- Polish and Czech Economic Meeting at the Consulate of the Czech Republic in Katowice attended, among others, by the Ambassador of the Czech Republic, the Marshal of the Slaskie Voivodship and representatives of the production, trade and service providing businesses from Poland and the Czech Republic. (1.06.2010),
- Reporting General Meeting of the Members of the Casting Chamber of Commerce in Pozna (9.06.2010) and Celebrations of the Steelmaker's Day in connection with the Children's Day at ArcelorMittal Poland S.A. in D browa Górnicza (12.06.2010).