



10 • 2012

November

In this issue:

- Extraordinary General Members Meeting of HIPH
- At the European Commission DG TAXUD
- 5th Forum OEEiG and Forum CO2 Congress
- European Emission Trading Summit
- Academic forum
- TVN broadcast VAT fraud
- CDD ESTA
- CEO J. Siwiec is the Knight of the Order of Polonia Restituta
- Working contacts
- Christmas wishes

Extraordinary General Members Meeting of HIPH

This 20th November saw the Extraordinary General Members Meeting of Hutnicza Izba Przemysłowo-Handlowa convened (hereinafter referred to as EGMM HIPH). The Meeting was summoned up by the Chamber's Board on request by Celsa Huta Ostrowiec Sp. z o.o. for a change to the Chamber's Board composition (the letter is deposited at the Chamber). The request pertained to recalling Mr Valentin Raventos as the Member of the HIPH Council as he was charged with new responsibilities outside of Poland by CELSA Group.

The Chamber Council's President, Mr Stefan Dzienniak, explained the reasons for recalling Mr Valentin Raventos as a Member of the HIPH Council before the EGMM HIPH and proposed that Mr Jose Vilaseca, who has been Director General of CELSA HUTA OSTROWIEC Sp. z o.o. Group since May 14, 2012. EGMM HIPH decided to appoint Mr Jose Vilaseca as the Member of the HIPH Council of the present term.

Other Agenda issues:

- The Chamber's Board presented to the EGMM work outcomes of three Coalitions (HIPH + Mills + Advisories) charged with three projects: steel rebars VAT fraud, excise tax reliefs/exemptions for gases and amended energy law legislation comprising electricity, gas, and renewables regulations, and post- 2012 EU ETS carbon allowance auctioning.

- Prof. Leszek Dobrzański, Prorector of Politechnika Łódzka, presented to the EGMM HIPH proposed network of relations and long-term innovation collaboration between academia and industry.

- The Chamber's Board submitted congratulations to Prof. L. Dobrzański on his having been awarded the Commander's Cross of the Order of the Rebirth of Poland.

At the European Commission DG TAXUD

On 12.11.2012 the meeting was attended with the European Commissions DG TAXUD in Brussels as organized by EUROFER on request of the VAT Coalition DG TAXUD. The objective was to discuss intra-community rebars trade irregularities. The scale and consequences of the scheme, activities undertaken and proposed solutions and expectations of Polish rebars manufacturers were signposted. Fears were expressed that the fraudulent conduct may spill over to other steel products. Present market condition in Poland, fraud mechanism and arguments corroborating the existence and extent of the scheme were presented. The E&Y study including arguments and corollaries which were handed out to EC officials was created with major contribution by HIPH. The EC took a quite skeptical stance to proposed reverse charge mechanism to be applied to steel rebars. If the Government of Poland file such proposal to the EC, the case would be considered, but TAXUD representatives opined that suggested solution should of a broader scope including more than one single product type.

5th Forum OEEiG and Forum CO2 Congress

20.11.2012 saw us attending the 5th Forum OEEiG and Forum CO2 Programme and Organizational Congress in Warsaw. The Congress participants listened to and adopted reports by managing bodies of the said Fora in 2011 and the activities report of Elżanowski, Cherka & Wspólnicy Lawyers and Viewpoint Group. They chose Chair and Vice Chair of Forum OEEiG and Forum CO2. No changes were made to incumbent compositions of the governing bodies.

Excise tax for gas and electricity for energy-intensive industries and indirect cost compensation were discussed. Proposed Forum positions on electricity consumers' participation in electricity demand management, dispersed cogeneration energy sources, energy efficiency, indirect cost compensation, allowance auctioning revenue redistribution and carbon leakage list review were presented.

European Emission Trading Summit

On this November 22, the Chamber's Chairman attended a Discussion Forum in Warsaw concerning applicable and to-be-implemented emission allowance market, trade mechanisms and management regulations in 2013 to 2020.

The most important changes in the third EU ETS period are:

- changed allocation rules: auctioning, benchmark implementation and derogations,
- early auctions regulation should be performed till the end of 2012,
- allowance registry administration adaptation to EU rules,
- definition of allowance disposals/sales,
- CER and ERU unit management,

At the EU level unfortunately EC actions still lack consistency (delayed regulations as foreseen by the Directives 2003/87/EC and 2009/29/EC).

At the national level adoption of national legal regulations is delayed for the third trading period. Inconsistent terminology between Polish and EU law is a nuisance.

As part of the Forum, trading experiences were shown at the European Energy Exchanges (EEX) and (ICE) along with leading brokers (VERTIS) and environmental product analysts (TRPC).

Academic forum

HIPH decided to become a bridge between the industry and the research and development community in order to propagate and grow cooperation and Partnership for Innovations. The sectoral cooperation would focus on such challenges as: climate change, energy efficiency, safety and generational staff replacement. The effects expected are in improved adaptability of innovative solutions to business practice and student exchanges. Initial meetings in this regard were held between the Chamber's Chairman and Politechnika Slaska in Gliwice and Uniwersytet Ekonomiczny and Uniwersytet Slaski in Katowice. The cooperation agreement with Politechnika Slaska was signed on 26.11.2012.

TVN broadcast VAT fraud

On November 22 the Chamber's Chairman talked to TVN journalists about the impact of the intra-community steel rebars VAT fraud scheme on domestic manufacturers. The coverage of dishonest conduct in steel trade from a broader perspective than just Polish rebar makers was broadcast by TVN on 29.11.2012 r.

CDD ESTA

On November 15 to 16, the Chamber's Deputy Chairman attended in Madrid the annual CDD Committee of European Steel Tubes Association (ESTA), to discuss, inter alia:

- steel tube and semi-product markets,
- applicable and pending protective measures carried out by EU and third countries for pipes and tubes and EC proposed changes to existing EU market protection instruments;
- trade between EU and third countries as well as EU and selected MS tubular market;
- draft ESTA budget 2013

Second half of 2012 saw a collapse in most EU countries in sectors consuming tubular products (e.g. in construction and steel fabrication, power, automotive, machinery, home appliances), where the tubular demand plummeted and stocks are kept very low. Credit crunch continues for project result in investments being restricted or delayed affecting order books at tube manufacturers.

CEO J. Siwiec is the Knight of the Order of Polonia Restituta

The President of the Republic of Poland, Mr Bronisław Komorowski, awarded Mr Józef Siwiec the Commander's Cross of the Order of the Rebirth of Poland (Polonia Restituta) on the request by the Polonia Restituta Order Chapterhouse.

This exquisite award went to Mr Siwiec for his outstanding merits for the economic growth and his achievements in his charity and community works. Congratulations!

Working contacts

Friday November 23 saw the working meeting of the HIPH Board with the Board of Huta Łab dy Sp. z o.o. to discuss: market situation for selected finished steel goods and the issues relating to new environmental regulations.

*We wish all the steelmakers and all well wishing people that
Christmas Tide
and New Year be spent in peace,
happiness and hope
for good 2013*

*The Board and Council
of Polish Steel Association*

