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Steel Scrap

The Board of the Association makes intensive efforts to liberalise provisions and procedures on importing steel scrap to Poland. On behalf of the sector, we applied to the Ministry of Economy, the General Inspectorate of Environmental Protection and the Ministry of Environment for easing the procedure of obtaining permits by the entities importing wastes from "green list" which includes scrap. The Ministry of Economy in his letter ref. DRG-III-0780-13-.J.Sz/08 L.dz. 859 of 14 February 2008 informed us that ... "a solution was introduced to reduce the administrative hardship of the application procedures. The solution allows the installation of waste receiver to obtain a preliminary permit issued for the period of maximum 10 years and as a result to significantly shorten (from 30 to 7 days) the application procedure for bringing in wastes to Poland for the installation and at the same time to extend validation period of the obtained permit to 3 years while in any other case it is one year"...

This matter was discussed during a meeting held in the HIPH's premises with participation of the Board and the Council of the Association and Director from the Ministry of Environment. We urged for liberalisation of the regulations on scrap import to Poland.

Pollutant Release and Transfer Register

On 11 January 2008, the Polish Steel Association in Katowice organised a training on Pollutant Release and Transfer Register (PRTR). The training was conducted by Ms Hanna Jastrzbska, Deputy Director of Inspection and Jurisdiction Department of the General Inspectorate of Environmental Protection.

The training presented the following issues:

- Polish provisions on Pollutant Release and Transfer Register,
- Examples of reporting releases and transfers outside their place of origin,
- The objective and benefits of establishment of PRTR registers,
- Comprehensive implementation of the Pollutant Release and Transfer Register in an enterprise.

The training was attended by 30 people representing all members of the Chamber which are subject to PRTR.

REACH in Steel Sector

On 25 February 2008, the Polish Steel Association organised a training on "REACH in the steel sector" aimed at helping its members carry out the necessary undertakings with respect to registration,

evaluation, granted permits and restrictions applied to chemicals (REACH) as well as ensuring integrity of actions within the sector. The meeting was attended by Mr Krzysztof Galas from Department of Economic Regulations in the Ministry of Economy, Mr Tony Newson from EUROFER and Mr Krzysztof Kaczorowski from the Organic Industry Institute. Mr Krzysztof Galas presented the policy of the Ministry of Economy on REACH. Mr Krzysztof Kaczorowski elaborated on data preparation for initial registration of substances and specimen as well as: major – problems of enterprises resulted from REACH ordinance and experiences of the consultation point at the Institute of Industrial Organic Chemistry. Tony Newson introduced detailed information on the following:

- Whether and which of the steel goods and products are subject to REACH?
- What is the timetable for pre-registration and registration?
- What kind of information shall be provided by steel producers at the registration?
- Substance Information Exchange Forum and its operations,
- What actions are proposed by EUROFER in order to help its members?

Following the members' request, the Association will organise another meeting on this matter in May 2008.

Meeting of Energy Experts Team

On 11 February 2008, a meeting of the Energy Experts Team attached to the Association was held. The following issues were raised:

- Effects of price increase and the ways of securing electric energy supply for the steel sector and cooperating sectors,
- Comments to the bill on changing the Energy Law Act of 10.01.2008,
- The electric energy market in Poland in the opinion of the industrial receivers.

According to the Team's assessment, the electric energy price increase by approx. 18% over a year and another 20% increase since March 2008 for tariff contracts and a significantly higher (even by 55%) rise for new contracts is unjustified. Enterprises in the steel sector with a big concern observe the processes recently occurring in the electric energy market the demand notably exceeds the supply. We have a producer's market and the situation does not seem to change in the next years. Not having any alternative ways of purchasing energy, the industry pays for justified and unjustified energy costs.

According to the industrial receivers, the competitive electrical energy market in Poland does not exist

while large receivers are not treated as partners by the power industry. Having undertaken a vertical consolidation of energy enterprises, the state monopoly and the role and importance of the Energy Regulatory Office (URE) considerably diminished. Based on the conclusions from the Team's meeting, the Board submitted a letter to the Deputy Prime Minister providing comments and proposals of introducing legislative changes having regards to the interests of large recipients of electric energy.

Meeting of Polish Union of Steel Tube Producers

Meeting of Polish Union of Steel Tube Producers was held on 21 February 2008. The meeting concerned the issues such as situation in the production and trade of steel tubes in 2007 in Poland and European Union, threats resulting from the third countries' imports as well as countermeasures undertaken by ESTA. The current situation on the steel tubes market and the 2nd quarter forecasts were discussed. In 2007, the total tube production in Poland maintained at the level similar to 2006. Exports reduced by 3.5% while imports increased almost by 10%. A 9% rise in the apparent tube consumption was noted. In EU the production of tubes rose by 8% while the apparent consumption, according to data currently available, increased by 20%. A rise in import share in the apparent tube consumption is worrisome. In Poland it constitutes 51% while in the whole EU 23%. In 2007, imports from the third countries to EU rose by 44% for seamless tubes and by 31% for welded tubes. Seamless tube imports from China to EU increased by 250% constituting 52% of the whole imports in 2007 while the figures for import of welded tubes are: 220% and 23% respectively (including closed roll-formed sections: 740% and 12 % respectively). The biggest supplier of welded tubes to EU is Turkey whose share in this assortment is over 34%. Against such a rapid increase of cheap imports from the third countries, EU tube producers are now preparing next antidumping complaints to the European Commission.

The present situation, in the producers' opinion, is moderately optimistic although the competition is very strong. Mild winter and numerous new investments led to a boom on the tube market and rising demand which is expected to maintain also in 2nd quarter of 2008. Due to rising costs (charge, energy, freight and salaries) tube prices will have to be successively increased, too. Considering the rising prices and long lead-times, tube producers who have their own charge are in a far better situation than the producers sourcing it externally. The meeting ended with a discussion on organising by the Association a joint stand for tube producers during TUBE'2008 in Duesseldorf.

"Stop" for Liberalisation of EU Trade Defense Instruments

In January 2008, the European Commission decided on holding up the liberalisation of EU trade defense instruments for an indefinite period. In connection with the decision, the coalition of producer organizations including EUROFER and ESTA submitted a letter to Mr Peter Mandelson, EC Trade Commissioner, expressing thanks for accepting arguments of EU producers and maintaining the currently valid mechanisms of the EU trade defense against unfair imports of goods from the third countries. The Board of the Association is grateful to all its members who provided HIPH with their comments to so called White Book containing proposals for liberalization of trade defense instruments. The comments have been forwarded to EUROFER and ESTA.

Wastes from Green List

On 28 March 2008, in the premises of the Ministry of Economy, a meeting of iron and steel industry, non-ferrous metals, paper and textiles was held with the Deputy Minister, Mr A. Szejnfeld and 4 representatives of the Main Inspectorate of Environmental Protection. The meeting addressed the problems encountered by the above industries in importing waste raw materials from "green list". As of today, there are no conditions, neither willingness to persuade all the 27 countries to change the treaty provisions on wastes from "green list" (renegotiation of all the Treaty areas would then be necessary). The Main Inspectorate of Environmental Protection did not commit to ceasing further the administrative burdens of the application procedures explaining that there are too many mistakes in applications made by firms exporting scrap to Poland. It was stated that the less mistakes are made, the faster decisions will be taken.

Steel in Roads Infrastructure

On 18 March 2008, the President of the Association took part in a meeting of the investors' representatives, entities preparing new roads infrastructure projects. The President R. Talarek is a member of the Joint Initiative Team of Polish Roads Congress in the area of materials used for motorway construction including steel. The meeting was attended by delegates from the Ministry of Infrastructure, the General Directorate of Roads and Motorways, MPs and the Commission representatives. New roads infrastructure projects to be carried out in the next years were introduced as well as legal and other barriers hindering preparation and execution of roads investments were discussed.

Meeting of Capital Group of Huta Łab dy S.A.

On 11-13 January 2008, a meeting of the Capital Group of Huta Łab dy was organised in Krynica

Górska. The Board of the Association was asked to prepare a presentation on: "Domestic steel industry against the steel industry worldwide". The presentation was made by the President of the Association.

Forum of Refractories Association

On 12 January 2008, we took part in a conference of the Refractories Association. As agreed between the Board of the Association and HIPH, the President of Polish Steel Association delivered a speech on:

- Steel sector in Poland and worldwide – present status and prognosis,
- CO₂ emissions in steel sector, refractories and coke industry as well as hazardous substances from the point of view of REACH.

First Employers' Congress

On 17 January 2008, we participated in the First Employers' Forum which took place in Warsaw at the EXPO XXI Centre. The Congress was a forum providing an opportunity of presenting the actual importance of employers in the Polish economy as well as barriers hindering the enterprise development.

Economic Committee

On 21-23 January 2008, another seating of the EUROFER Economic Committee was held in Vienna and followed their standard programme.

Meeting of Presidium of Expo Silesia Council

On 14 March 2008, in the premises of Expo Silesia a meeting was held with participation of the Presidium of Expo Sielsia Council, the Silesian Marshal, Mr Bogusław migielski and Deputy Silesian Voivod, Mr. Stanisław D browa. The Association was represented by its President. The meeting was aimed at discussing directions of further development of Expo Silesia with special consideration to the International Mining Congress and the World Exhibition Mining Expo.

"Lever 2008"

The President of the Polish Steel Association, Mr. R. Talarek was honoured by the Federation of Scientific and Technical Associations NOT, the Editorial Staff of Technical Review and the Polish Trade Chamber by being awarded Lever2008.

The award was granted for his contribution towards establishment of the conditions for development of modern steel industry and promotion of the links between science and industry. The award was presented in historic Warsaw Technician's House on 2 February 2008.