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**Letter to the Prime Minister of Poland  
on CO<sub>2</sub> allocations**

At the beginning of October 2007, the Council and the Board of the Polish Steel Association addressed a letter to the Prime Minister of Poland, Mr. Jarosław Kaczyński, on allocations of CO<sub>2</sub> emission allowances. We supported our numerous arguments with the following conclusions:

... "Dear Prime Minister,

We kindly ask You to admit a special significance to the issue of CO<sub>2</sub> emission allowances for the sectors. We appeal for the Inter-ministerial Team or Group on CO<sub>2</sub> to be appointed with participation of competent representatives of the Ministry of Environment, Science, Economy and the sectoral and regional development experts able to assess:

- The possibilities of reducing CO<sub>2</sub> emissions in the industry from the point of view of the present and future techniques and technologies,
- The market aspects of the decision on allocations – hindering or supporting the growth of domestic economy supporting profitable industrial branches is advisable.

The emission allocation method chosen by the Polish government towards the sectors, proposed by KASHUE, will hamper investors' plans also in the steel sector which created foundation for sustainable development thanks to the restructuring and privatisation.

Furthermore, the allocations in accordance with the KSHUES proposal will postpone the required restructuring of the sectors which have not launched the process yet"...

**Polish-Czech-Slovak Commission on Steel  
and Coke Industries, Machinery  
Construction, Power and Environmental  
Protection Sectors**

On 15-16 October 2007, Tarnowskie Góry hosted a meeting of the Polish-Czech-Slovak Commission for Steel and Coke Industries, Machinery Construction, Power and Environmental Protection Sectors organised by HIPH. The meeting was attended by representatives of the staff servicing steelworks, coking plants, machinery manufacturers, refractories, designing offices and cooperating firms (45 participants in total).

The meeting was also attended by representatives of the Polish Ministry of Economy and the Czech Ministry of Industry and Trade. For reasons beyond our control, the meeting was not joined by the Slovakian representatives.

The debate of the Commission followed the agenda

which can be summarised as follows:

- Execution of the governmental restructuring programmes for the steel sector in Poland and the Czech Republic positively came to an end. The servicing staff in both countries successfully played their role in the liquidation, modernisation and investments carried out under the programme, significantly contributing to the success of the whole restructuring. The restructuring accomplishments in the Czech and Polish steel industry constitute a foundation for future sustainable transformation in the sector provided the domestic legal regulations on business activity will be favourable in the countries.
  - Investing in the production of flat thin products and launching new production lines for plate coating and steel structures (zinc and organic coats) is a necessity. It was proved by the relocating to Poland, the Czech Republic and Slovakia industries manufacturing finished products with steel components such as automotive, white goods, construction, etc.
  - The shortage of labour specialising in welding, machining, assembling and hot working is the cause of reactivation of vocational education with participation of enterprises interested in employing the graduates.
  - The national associations, HIPH and HŽ, will appeal jointly with the Ministry to the governments of Poland and the Czech Republic for working out a joint stance on REACH.
- The next meeting of the Committee is planned for March 2008 in Moravia, the Czech Republic. HIPH Members, Polski Koks and PMO Komex Sp. z o.o. introduced profiles of their companies' activity and the assessment of the current situation on the coke and refractory markets.

**Sectoral Economic Organisations Forum  
on Energy (3E+G)**

On 30 October 2007, Warsaw hosted a meeting of the Members of the Programme-Consultation Council of the Sectoral Economic Organisations Forum. The meeting was attended by the Board of HIPH. During the meeting, the following issues had been raised:

- Organisational structure of the Forum,
- The Forum standpoint on the "Energy Effectiveness Draft",
- Comments to a document: "Poland's energy policy till 2030" submitted to the Minister of Economy by the Forum.

In the course of discussion on "Energy Effectiveness Draft", it has been pointed out that the beneficiaries of so called "white certificates" should be receivers of

energy in the first place, not the producers.

Regarding the document "Poland's energy effectiveness till 2030" which formulates strategic goals of the Polish energy policy, the Forum made comments on:

- Supporting investments in new production sources,
- The way of execution of priorities' list,
- Internal European cooperation.

### Meeting for industrial recipients of electric energy on HIPH premises

On 22 October 2007, on the premises of Polish Steel Association in Katowice, a meeting was held gathering major recipients of electric energy and sectoral economic organisations with a former Prime Minister, presently the Member of the European Parliament and the Member of the Commission for Industry, Scientific Research and Energy, Professor Jerzy Buzek.

The meeting was aimed at:

- Discussing the effects of the power industry policy for major industrial recipients of electric energy;
- Working out together with the Ministry of Economy, the Energy Regulatory Office, the Office of Competition and Consumer Protection, the Ministry of Finance and partners from the power sector system mechanisms dedicated to major industrial recipients;
- Popularisation of the problems of major industrial recipients of electric energy in the European Parliament;

The meeting was participated by representatives of 10 enterprises, major recipients of electric energy from the iron and steel industry, the non-ferrous metals and mining sector as well as 5 sectoral organisations such as the Mining Chamber of Trade and Industry, the Polish Steel Association, the Chamber of Industrial Power and Power Recipients, the Economy Chamber of Non-Ferrous Metals and the Polish Chamber of Chemical Industry.

The discussion concerned the following issues:

- Factors increasing the costs of electric energy and their prognosis till 2025,
- Problems encountered presently by major energy recipients (among others, acknowledging that the energy released in the course of technological processes such as blast-furnace gases, technological heat and methane in case of coal mines is a source of renewable energy),
- Verifying the assumptions for the Energy Effectiveness Act so that the Recipients would become the main beneficiaries of the aid system created by the Act,

Utilisation of the EU funds for the long term development of the power industry in Poland.

Professor Jerzy Buzek ensured about his support for actions taken by the Forum of Electric Energy Recipients and presented the situation of the Polish power sector against the policy of the European Union. He suggested organising a

meeting for the recipients of electric energy and the representatives of the power sector in presence of delegates from the Government and the State Departments. He found useful to start cooperation with the European Forum of Recipients and made a proposal on organising an international conference with participation of the Vice-Chairman of the European Commission, Mr Guenter Verheugen.

### At ZM Ropczyce S.A.

In response to an invitation by the Board of ZM Ropczyce, numerous representatives of steel producers and manufacturers took part in a meeting organised by the Company in Zakopane on 25-26 October. Presentations on the product offer of Ropczyce, the modern and complex services as well as the technological and ecological aspects of refractories constituted the base for discussion. The steel industry is one of the largest consumers of refractories and thus both parties in the discussion emphasised the importance of "openness and constructiveness" in mutual relations. Thanks to the restructuring, both the steel sector and refractories are now modern and fully respect the market rules.

### TNOIK Conference

The presentation by Dr R. Talarek: "Restructuring in the steel sector as a foundation for sustainable development of the sector in future" was on the agenda of the International Scientific Conference: "Modernity of the industry and services" under the session on Restructuring in the process of creating values.

### Cooperation with ZPPH

Responding to an invitation made by the Board of the Steel Industry Employers Union, the President of the Association provided the Members of the Board with a speech on "Domestic iron and steel industry opportunities and threats for sustainable development". The speech was delivered on 18 October in Ustro .

### Conference under the auspices of Mayor of the Chorzów City

On 18 October 2007, during the conference: "Development Strategy of the Chorzów City", the President of the Board of the Association presented a speech on "Renewed steel industry as an added value to life of Chorzów and the region".

### ZM „Ropczyce” S.A. Medal Awarded to HIPH President

During the 166<sup>th</sup> quarterly held Scientific-Technical Conference of the Association of Engineers and Technicians of Non-Ferrous Metals, a nice moment for us took place. The President, R. Talarek had been awarded Medal for Contributing to the Development of the Company, ZM

"Ropczyce" S.A. Once again, thank you for this distinction.

### BIPROMET S.A. – Stock Exchange Dreams Came True

On 31 October 2007, the Company BIPROMET S.A. floated on the Warsaw Stock Exchange. Congratulations! It was a fully deserved debut. The company's products are state of the art. They company can effectively organise supply chain with their participation. They also have a wise and modern management. All this let the company look at their future with optimism. We wish further successes!

### Meeting on REACH

On 25 October 2007, the seat of BCC in Warsaw hosted a meeting for businesses on: "Will the REACH regulation have any impact on increase or decline of competitiveness of Polish firms in Europe and worldwide?" The meeting, which was participated by us, focused on threats for a company's competitiveness resulting from the introduction of the Regulation of the European Parliament and the Council REACH concerning a safe usage of chemicals through their registration and assessment as well as, in some cases, granting permits, restricting trade and usage of certain chemicals. The meeting was also attended by delegates from the Ministry of Economy, the Institute of Industrial Chemistry, Bureau for Chemical Substances and Preparation as well as the Organic Industry Institute.

### New Korean Investment near Wrocław

On 31 October 2007, in Biskupice Podgórne near Wrocław, we took part in the launch of a new factory of a Korean concern, POSCO, in Poland. The plant called POS-PPC is located in the Special Economic Zone near Wrocław and will provide the electronics and white goods industries operating in Poland with steel strips and sheets in required sizes. Production lines for strip slitting and cross cutting in coils made by POSCO and others have been launched for the cooperating firms such as LG Philips LCD, Toshiba and LG Electronics. The ribbon cutting ceremony was performed jointly by representatives of the Korean firms and local governments. The factory will employ over 100 staff.

### Recommended Conferences:

- 13-14 December 2007 – ATS in Paris ([www.ats-ffa.org/anglais/](http://www.ats-ffa.org/anglais/))
- 12-14 March 2008 – 14<sup>th</sup> World Steel Conference, Rio de Janeiro, Brazil ([www.cruvents.com](http://www.cruvents.com))