



### IN THIS ISSUE:

- **ECON 2009 Spring Meeting**
- **Economic Committee in EUROFER**
- **At DTP ME on trade with Russia**
- **On excise at ED ME**
- **Electricity issue at the Chancellery of the President of Poland**
- **Anti-crisis issue discussed with the Voivod of Silesia**
- **POSCO at HIPH**
- **Conference Steel Industry' 2009**
- **Day of Metallurgist among Members of HIPH**
- **5th Anniversary of Poland's accession to EU**
- **II Road Congress**
- **55 Years of SITMN**
- **Konrad Adenauer Foundation**

### ECON 2009 Spring Meeting

On 1-3 April 2009, the Brussels headquarters of the World Steel Association hosted a meeting of the Economic Studies Committee (HPIH President is its member). During ECON, the situation in the world's steel industry was assessed as the whole and in the regions. Unfavourable statistics on steel production and consumption were mainly noted in USA and EU. The prognosis for the World is pessimistic. According to WSA, the 2009 steel consumption will be lower by around 12-13%.

### Economic Committee in EUROFER

On 7-8 April 2009, we took part in a meeting of the EUROFER's permanent committee, the Economic Committee. The agenda included the following issues among others:

- assessment of the macroeconomic situation in particular EU member states (27),
- assessment of the situation in the steel consuming sectors (construction, automotive sector, white goods, machinery and others) in particular EU member states (27),
- preparation of the report on situation in the production and on the steel market EU (27).

Based on the assessments, the year 2009 will be a recession year for EU (27).

### At DTP ME on trade with Russia

On 20 April 2009, upon request of the Board of the Association, the Department of Trade Policy of the Ministry of Economy (DTP ME) held a meeting in Warsaw to take up the issue of valid EU quotas for steel products from Russia. The steel sector was represented by the HIPH President and Trade Policy Director of ArcelorMittal Poland S.A. In the course of discussion, trade situation between Russia and EU was assessed (with respect to the application of import quotas in groups SA 1-6 and SB1-3).

It was agreed that import from Russia will be subject to careful monitoring. It was also agreed that in case of the crisis the Polish government will present its standpoint of non-increasing the quotas for 2010 in front of the EC.

### On excise at ED ME

In response to an appeal made by the Board of HIPH, the Energy Department of the Ministry of Economy hosted a meeting on excise tax on electricity on 20 April 2009.

The meeting was attended by the Presidents of: HIPH, CMC Zawiercie S.A. and ZGH Bolesław (large electricity recipients) and representatives of the Ministries: Finance and Economy as well as URE. The steelworks' opinion on the electricity price increases and maintaining high excise and taxes by the government and their impact on the competitiveness of domestic steel producers. Representatives of the government expressed their understanding for the producers' arguments. They also asked for some analysis showing the effects of possible excise reduction on enterprises and the budget.

The Board of the Association prepared proper simulations and estimates. On 4 May 2009, they were submitted to the Ministry of Finance. We were assured that the talks with the industry will be continued once the simulations and estimates are assessed.

### Electricity issue at the Chancellery of the President of Poland

On 16 April 2009, a meeting of the Energy Safety Expert Group was held at the Chancellery of the President of Poland in Warsaw. The meeting was attended by the Presidents of: Polish Steel Association, the Chamber of Industry and Energy Recipients, the Chamber of Commerce of Non-ferrous Metals, representatives of the Forum of Electricity and Gas Recipients and the Katowice Mining Holding. The President's Chancellery was represented by: Prof. Zybertacz, G. Wo niak, P. Naimski, J. Olszewski and economic experts invited by the Chancellery (from universities, agencies and sectoral institutes).

The subject of the presentation and discussion was the assessment of the impact of electricity price increases on the industrial recipients and ways to mitigate the negative impact of the increases on the enterprises' competitiveness. What should be stressed is a big interest in this issue and readiness to continue similar meetings in future expressed by the "President's side". When presenting the view of the steel sector, the HIPH's President appealed for supporting the excise reduction demands in front of the government.

### Anti-crisis issue discussed with the Voivod of Silesia

On 23 April 2009, the HIPH's President met the Voivod of Silesia, Mr Z. Łukaszczyk. The meeting focused on implementation of the "Anti-crisis

Plan" by the Polish government and the impact of the recent electricity price increases on the competitiveness of steelworks.

The President of the Chamber informed the Voivod about the letter addressed by the Board of the Chamber to the Prime Minister of Poland, Mr D. Tusk, in which the following needs were indicated:

- support for the infrastructural and EURO 2012 investments by means of a pensions from domestic material and services supplies (including steel),
- undertaking steps to change EU bilateral agreement with Russia to reduce steel imports to Poland,
- exempting the electricity consumed in the energy consuming sectors from excise tax,
- improving the interdisciplinary cooperation.

The demands were acknowledged by the Voivod.

### POSCO at HIPH

On 15 April 2009, HIPH hosted a meeting of the Board of the Association and the representatives of the South Korean concern, POSCO, the presidents of service centres in Poland and the Czech Republic.

During the meeting, the Board of the Association introduced the role and profile of activity of HIPH in the Polish reality, the current social and economic situation as well as the steel sector and its production capacities. POSCO delegates presented the organisation and financial structure as well as the production activity of the concern and the service centre in Poland (POSCO PWPC Sp. z o.o. near Wrocław). The discussion touched upon, among others, the impact of the world's economic crisis on the steel industry and steel consuming sectors and the possibilities of cooperation between POSCO and HIPH.

### Conference Steel Industry' 2009

On 17 April 2009, during the European Economic Forum, the President of the Board of the Polish Steel Association delivered an introductory speech on: "Nationwide and worldwide steel industry facing the global economic crisis" which opened discussion during the Steel Industry' 2009 conference.

The meeting was chaired by the President of the Association's Council, Mr Jerzy Podsiadło.

### Day of Metallurgist among Members of HIPH

In response to the invitations received from the Boards of numerous steelworks and universities, we took part in celebrations held on the occasion of this festive metallurgist day:

- At the University of Science and Technology in Cracow (24 April 2009). The ceremony consisted of two parts: morning session with a technical and scientific conference (HIPH's President delivered a speech on: "Iron and steel industry at the crisis time") and the afternoon session with a meeting at "Karczma pod Kadzi".

- At Huta Pokój S.A. (4 May 2009). The agenda of the celebrations held at the steelwork included a meeting of the Employees of the Capital Group of Huta Pokój with the Board, local authorities, cooperating firms and institutions. HIPH was represented by the President of the Board.

- At Celsa "Huta Ostrowiec" S.A. (8 May 2009). In the agenda of the Metallurgist Day celebration, the organizers included a 3-speech session on the state and perspectives for Huta Ostrowiec and the steel industry at the time of global financial and economic crisis. One of the speeches was made by the HIPH's President.

- At the Silesian University of Technology (14-15 May 2009). The celebrations had a special nature: the Metallurgist Day and the 40th Anniversary of the Department of Material and Metallurgical Engineering. HIPH was represented in the Honorary Committee of the anniversary ceremonies.

- At ISD Huta Cz. stochowa S.A. (15 May 2009). Celebrations of the day were held at the A. Mickiewicz Theatre in Cz. stochowa.

The owners and the Board of the Steelwork appreciated the achievements and good results in 2008. Thanks to the last year's investment in rolling mill and steel plant, the Steelwork extended its product range with the new high quality flat products. These investments let the Steelwork "run ahead" on the way to its improved competitiveness. Congratulations!

### 5th Anniversary of Poland's accession to EU

The editorial office of "Wspólnoty Europejskie" proposed to the Chamber to prepare and publish in the magazine an article presenting the assessment and comments as to the impact of EU membership on the steel industry. "Wspólnoty Europejskie" is a national bi-monthly, disseminated among students' centres, Parliament, central and regional offices, enterprises and individuals.

Polish steel and iron industry is a branch having undertaken particularly huge scale of adjustments to EU rules in the technical and social area, ecology and trade principles. The article on "Modern and sustainable steel industry in Poland" was prepared by Mr R. Talarek.

### II Road Congress

Upon invitation of the President of the Association of Polish Roads Congress, Mr Zbigniew Kotlarek, we took part in II Road Congress held on 28-29 April 2009 in Warsaw. The headline of the Congress was: "How to overcome the inability barriers in the construction of express roads and motorways in Poland". The organisers intended to work out measures which will facilitate the necessary road investments.

The following barriers were recognised:

- overmuch submission of designers as to the local authorities and the boards of infrastructure not related to roads,
- design mistakes and disobedience against the GDDKiA requirements,
- lack of staff especially from the area of environmental protection,
- costs and limitations concerning environmental protection,
- lack of modern technical specifications of the investments being prepared,
- high percentage of disobedience against regulations on health and safety at work when building roads and motorways.

The Congress paid much attention to Public Private Partnership in road investments. PPP causes in Poland strong emotional reactions and controversies. The crisis does not help in sorting out this problem. The consensus on this matter shall lead to the strategy that "...out of three risks, two shall be born by a private partner". The discussion touched upon the issue of eliminating materials without attests from applications in roads and motorways. It also applies to steel.

### 55 Years of SITMN

On 24 April 2009, II Convention of Delegates of the Association of Non-Ferrous Metal Engineers and Technicians (SITMN) took place in Wisła together with the ceremony related to 55th Anniversary of this Association.

A long professional career of SITMN's President, Mr Józef Zbigniew Szymanski came to an end.

On behalf of the steel sector, we passed to President Szymanski our appreciation for many years of cooperation.

Professor Zbigniew Smieszek was appointed the new President of SITMN.

### Konrad Adenauer Foundation

On 6 May 2009, HIPH hosted participants of the seminar organised by the Konrad Adenauer Foundation Poczdam Educational Centre on "Situation in heavy industry in Poland, its competitiveness in EU on the example of the steel sector". Speech in this subject was delivered by the President of the Chamber.

The 15-year restructuring accomplishments by the steel industry in Poland caught a big interest and admiration by the German group consisting of 30 members.