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TAURON and HIPH

Polish Steel Association and TAURON Polska Energia S.A organised jointly a two-day conference on: "Energy production for the steel industry, steel for energy production". The conference consisted of two thematic parts covering:

- Electricity production in Poland today and in the future, investment projects in the energy sector till 2020 and the sale and purchase models of electricity,
- Steel sector - conditions for further development of the steel sector in Poland, possibilities of steelworks in the scope of supplying steel products to investment projects in the energy sector and proposals for improvement of mutual relations between "a large recipient" of electricity and electricity provider in Poland.

In addition to the information on market situation and prognosis in both sectors, it was possible to outline the areas of mutual relations which build up trust to each other. Potential synergy effects from a well-established cooperation of both sectors were indicated. The will of continuing similar undertakings in future was expressed. Further information about the conference is available from the website: www.hiph.org

Business delegation visiting the President of the Republic of Poland

On 3 November 2010, upon initiative of Mr Bronislaw Komorowski, the President of the Republic of Poland, a debate attended by the representatives of business circles took place at the Presidential Palace under the theme: "The economy of the competitive Poland". Polish Steel Association was represented by Mr R. Talarek, the President of HPIH.

The discussion ended up with conclusion that the key issues for improvement of the competitiveness of domestic companies would be as follows:

- Deregulation, i.e. the need to eliminate barriers such as over-production of the legal regulations and burdening administrative procedures,
- Public Private Partnership and
- Promotion of Poland abroad.

The President Bronislaw Komorowski said that he would support the government in continuing the economic reforms.

The Minister of State Treasury and the Minister of

Economy attended the debate, too.

The President of the Republic of Poland declared that similar debates would be held in future.

Situation in the steel market at the Ministry of Economy

On 28 October 2010, Trade Policy Department of the Ministry of Economy hosted an informal meeting of the President of HIPH, Mr R. Talarek with the Management of the Department. The talks focused on distortions of production costs in the third countries which affect the steel market in Poland and the EU. The meeting's attendees discussed activities which potentially should be taken up on the EU level, according to the steel industry represented by HIPH, in order to properly and timely address the occurrences leading to distortion of fair competition in steel trade.

Low-Carbon Economy

On 3 November 2010, session: "Unlocking a low-carbon Poland industry" took place in Warsaw. An introductory presentation was delivered by Ms Natalie Tureau from International Energy Agency and Mr Botschek, the Head of Strategy Group for Energy, Climate Change, Health, Ecology and Safety at work.

A standpoint on the subject on behalf of the Polish steel industry was presented by Mr R. Talarek, the President of HIPH, in his speech: "Polish Steel Industry against EU ETS challenges".

The speech is available to the interested members at the HIPH's office.

Expo-Silesia' 2010 Side Event: "Inter-Industry Cooperation for the Future"

Under the HIPH's activity related to the promotion of steel, steel industry and the cooperating industrial branches, the Management Board of HIPH organised a side event on: "Inter-Industry Cooperation for the Future" and an exhibition stand at the International Trade Fair of Metals and Steel STEELMET'2010.

We invited to the side event: "Inter-Industry Cooperation for the Future" representatives of the suppliers of raw materials and infrastructure, energy and coke producers, as well as steel users representatives of the automotive sector from GM Manufacturing Poland.

The event was to showcase the synergy effects of

inter-industry cooperation as well as identify additional ways of achieving them. Polish Steel Association will keep on taking up similar initiatives with participation of the steel industry and cooperating sectors.

Exhibition stand of HIPH:

During the trade fair Expo Silesia, the HIPH's stand presented their members' product and services portfolio. The information about steel manufacturers was provided and commercial enquiries from the stand's visitors were collected. New contacts were made with those interested in the steel industry and purchasing finished products. The Chamber distributed information materials, companies' product catalogues, etc. provided by: Huta Łabędy S.A., HSW - Huta Stali Jakościowych S.A, Huta Pokój S.A., Celsa "Huta Ostrowiec" Sp. z o.o., CMC Zawiercie S.A., ISD Huta Częstochowa Sp. z o.o. The trade fair took place on 19-21.10.2010.

Coke market

At the conference: "Coke industry' 2010" organised on 6-8.10.2010 by ICHPW, a lot of attention was paid to the assessment of the situation on the coke market today and in the coming years. In the year of crisis, 2009, China drastically cut their coke exports which enabled Polish coke plants to move up to the top of the list of coke exporters. 60% of Polish coke is exported, mainly to the Western Europe, North America and Asia.

The coke plants in Poland, majority of which is modernised, can build optimistic scenarios for the future; however, the local requirement for coke is determined by the situation in the steel and casting industries.

During the conference, "Conditions for sustainable development of the steel industry in Poland in the coming years" were elaborated by the President of HIPH.

The prices of electricity and gas as well as price affordability of local raw materials such as coking coal were considered by him to be, among others, the growth barriers for the steel industry.

Monitoring of the Construction Market

On 28 October 2010, HIPH took place in a conference: MONITORING OF THE CONSTRUCTION MARKET 2010 organised in Warsaw by ASM Market Research and Analysis. The conference was held under the Honorary Patronage of the Ministry of Infrastructure. The following topics were presented at the conference:

1. The current state and prognosis for the development of the construction, residential, non-residential and engineering construction;
2. The condition of the Polish construction;
3. Social media in construction.

The first session of the conference was related to the present state of construction market in Poland and the prognosis for its particular segments. The following information was introduced: the current state of construction, its prognosis, results of residential construction (a demand and supply decline) as well as the investment financing issues and their costs. The discussion covered the following subjects: engineering construction diagnosis of the road construction and railway infrastructure in 2010, investment projects by Polish airports and shipyards as well as the engineering construction potential in the energy sector and the situation in Polish transport.

HIPH at PIKS

During the annual conference addressed to enterprises from the steel structure sector, held in Józefów near Warsaw on 12-13 October 2010, the current situation of the sector in Poland was discussed. The majority of guests raised the issue of steel access and prices of the finished steel products applied in structures. A speech on "New possibilities of meeting the needs of the steel structure market for steel manufacturers in Poland" was delivered by the President of HIPH.

He addressed the issue of quality and access of steel for many applications including the needs of steel structures. He also presented investment accomplishments of steelworks which enhanced and extended their product offer on the market. The additional services offered currently by steelworks in the scope of prefabrication of steel products can meet the market needs and supplement product portfolio of steel structure companies.

INFRASTRUCTURE trade fair in Warsaw

HIPH in partnership with Polish Road Congress organised a side event "Materials for road construction" during the INFRASTRUCTURE'2010 trade fair in Warsaw on 13-14 October 2010.

The side event presented the requirement for materials used in road construction such as steel, cement, asphalt and aggregates as well as the possibilities of meeting the requirement. The issued related to steel were touched upon by the President of HIPH, R. Talarek.

He elaborated "Traditional and innovative

steel products and steel structures indispensable in the road construction investments".

Marcegaglia opening of Kluczbork plant

Under the headline "To be the tube market leader", an official opening of a new plant of the Italian concern Marcegaglia took place in Kluczbork on 14.10.2010. The plant will manufacture cold-formed sections and welded tubes (of different sections) for structural applications and precision products for automotive industry. The anticipated production capacities for the above products in Poland amount to around 300,000 ton/year. The size range of the sections and tubes is very broad from section of 12 mm up to 168.3 mm with wall thickness from 0.5 to 8.0 mm. The Kluczbork plant has a big capacity for prefabrication. It is also a logistic centre in the Eastern Europe for the Company's products. The company in Poland will be an important element in the entire system of Marcegaglia product distribution.

On this occasion, we extended our best wishes and congratulations to the family members of the owner and the Management of the company Marcegaglia Poland Sp. z o.o. Marcegaglia Poland Sp. z o.o. has been a member of HIPH since August 2010.

The Chamber gave its opinion with respect to the following bills:

Over the last 2 months the Chamber received the following bills which were provided with our opinion and sent over to:

- the Ministry of Environment on template for annual report from the allocations to public educational campaigns,
- the Ministry of Economy on the industrial emission directive,
- the Ministry of Economy on the introduction of precursors of explosive materials to trade and use,
- the Ministry of Environment on a limit for cyanides in water under the new "Water Directive",
- the Ministry of Economy on a list of vital raw materials and materials used in 2005-2009 in the steel industry,
- the Ministry of Economy on benchmarks and selection of the basis period for calculation of the allowances due to members after 2020.