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Appeal of the HIPH's Management To the Economy and Environment Ministers

On behalf of members of the Polish Steel Association included in EU ETS, the Management of HIPH appealed to the Economy and Environment Ministers for the sector allocation of the CO₂ emission allowances to secure the competitiveness of the domestic steel industry (including an opinion to the proposed benchmarks).

We appealed for the possibility to make use of "the emission allowances saved under 2009" in the future difficult period of EU ETS (2013-2020) under the formula of banking them to future periods, i.e. the formula accepted by the European Commission.

This would mitigate the process of rapid (already starting in 2013) worsening of the competitiveness of the Polish sector within the EU as well as against the third countries. It would also give the time needed for adjustment of steel installations to the lower emission thresholds proposed by the EC.

Response of the Ministry of Economy to the HIPH's appeal for gas supply to steelworks

In response to the Polish Steel Association letter (HIPH/1924/10 of 1.10.2010) on limitation of natural gas supply to steelworks, we received a reply from the Ministry of Economy assuring us of full security of gas supply to domestic steelworks.

Correspondence in this matter is available for review at the Chamber's Secretariat (letter MG DRO-III-5311-1/235/10 of 15 November 2010 with attachments).

Polish Tube Worker Union

On 5 November 2010, the Management Board of HIPH organised a meeting of the Polish Tube Worker Union.

The meeting's agenda included:

- Issues proposed for the meeting of CDD ESTA Committee on 10 November 2010 in Amsterdam,

- 1 Q 2011 prognosis of domestic tube manufacturers,
- The Management's briefing on situation in the steel tube market in Poland and EU in 2010,

After 8 months of 2010, tube production in Poland grew by 5% while the apparent consumption rose by 9%.

According to domestic manufacturers, a slight revival is possible on the market. Orders are placed 4 to 6 weeks in advance. The relations between steelworks and banks improved. The prognosis for 1Q 2011 are moderately optimistic provided the prices of raw materials and semi-finished products would not rise.

CDD ESTA Meeting

On 10th November 2010, a meeting of Directors' Committee of CDD ESTA was held in Amsterdam. The following issues were discussed:

- Current situation in the EU tube sector,
- Status of the protection procedures related to tubes in EU and third countries,
- Output figures and apparent tube consumption in 1st half of 2010,

Key conclusions from discussion were as follows:

- For EU-27, production of seamless tubes and welded tubes rose by 13% and 9% respectively,
- Apparent consumption of seamless tubes and welded tubes increased by 20% and 24% respectively,
- Import of seamless tubes from China was down by 30% compared to 1st half of 2009; however, China was the biggest tube supplier to the EU,
- Welded tubes imported from Turkey constitute 40% of the supplies.

In addition, the following issues were addressed:

- Environment protection (CO₂ emission reduction, benchmarks, REACH system),
- Rules of origin,
- International sanctions on Iran, etc.

ESTA's Management Board presented preliminary assumptions and proposals of the

ESTA's budget in 2011.

ISSI Meeting in Dusseldorf

On 10 November 2010, upon invitation of Stahl Institut VDEh, we took part in an annual meeting of the chairmen of steel federations and associations in Dusseldorf. In addition to current information on the steel market in Europe and worldwide, the condition of steel industry in particular countries was presented. HIPH's President introduced the situation in the Polish steel industry under the current market conditions ("Polish Steel Industry against the Market Challenges").

In the second part of the meeting, the calendar of global and European events coordinated by ISSI was elaborated.

In 2012, HIPH is organising 4th edition of the international conference "New Developments in Metallurgical Process Technology". The event will be held from 17 to 19 September 2012 at the Marriott Hotel in Warsaw.

150th Anniversary of STAHL Institut

The German Institute of Metallurgy, Stahl Institut is celebrating their 150th Anniversary in 2010. The Management Board of HIPH extended congratulations and wishes emphasising the importance of Stahl Institute VDEh for the international and European steel industry.

We congratulated the Institute for their significance and achievements in developing German as well as international steel sector and their numerous outstanding metallurgists, the authors of new technologies and solutions

We wished the Institute further success in building a strong European steel industry. The President of the Polish Steel Association personally passed the wishes over to their Director, Mr Kerkhoff, during the annual conference "Talk about steel".

STAHL 2010

Under ceremonies of 150th Anniversary of Stahl Institut, a conference was

organised focusing on the following issues:

- steel sector after the crisis - beginning of new era?
- raw materials and energy in steel industry,
- new plants, processes and steel materials,
- structural changes on the raw materials' market,
- current status and prospects for the steel production in Europe,
- framework of the ecological and energy policy its impact on the steel industry.

On 12 November, a formal part of the conference, "Progress is tradition" took place.

HIPH - ZPPH

On 8th November 2010, HIPH attended a seminar of the Union of Steel Industry Employers on: "Current social challenges in the steel industry resulting from the economic situation of the country" which was held in Ustroń.

Director of the Polish Employer Department delivered a speech concerning the amendments proposed to the Polish Labour Law applied for by the Trilateral Commission for Social and Economic Affairs and the State Labour Inspection. Deputy President of HIPH introduced: "The situation on the steel market in Poland and worldwide".

The Chamber gave opinion on the below mentioned bills and legal regulation drafts:

Following consultations with the Team for Environment Protection, the Management of the Chamber provided the Ministry of Environment with their opinion on Bills of the Council of Ministers regarding fees for using the environment and fees for waste disposal to landfills.

We applied for:

- withdrawal from the legal regulation of the Council of Ministers on fees for waste disposal to landfills providing as a reason incompliance with art. 291 par.1 of the Environment Protection Law (fee increase beyond the guaranteed inflation index);
- withdrawal from classification of waste from 19 12 group (especially 12 12 09)

equally with municipal waste;

- possibility of sending for technological use at landfills waste other than neutral and hazardous meeting the criteria and procedures for admission of waste to landfill...);

- application of the vacatio legis principle for the period of one year in case of implementation of the draft of the Council of Ministers on fees for waste landfilling in order to allow enterprises to adjust to the requirements of the amended law.

The Ministry of Environment accepted our appeals fees were increased by inflation index.

The idea of waste separated under special conditions was also subject to withdrawal.

Answers of the Ministry of Environment on the above matters are available for review at HIPH.

In November 2010, the Polish Steel Association received further bills and regulation drafts for assessment. They are as follows:

- from the Ministry of Environment on the climate change adaptation strategy,
- from the Ministry of Economy on Decision of the European Commission on, among others, benchmarks for the steel industry and cooperating sectors - members of HIPH.

Christmas and New Year Wishes

May All Steelworkers and our Supporters enjoy Christmas and the New Year in the atmosphere of peace and happiness and may hope for the Good Year of 2011 come true and completes the festive joy.



The Management Board and the Council of the Polish Steel Association