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HIPH on EU ETS

At the request of Economic Development Department of the Ministry of Economy, the Management Board of Association prepared an opinion on the results of implementation of EC's decision regarding the allocation rules for free greenhouse gas emission allowances (art. 10a of EU ETS Directive) for the steel industry. The opinion is available for HIPH's members on the website: www.hiph.org

Excise for coal, coke and gas

The Management Board of Association addressed a letter HIPH/0800/11 to Mr Jacek Kapica, the Undersecretary of State in the Ministry of Finance with a request to exempt, following other EU countries, the above mentioned energy products used in metallurgical processes from the excise tax. According to the assumptions, the amended Polish regulations on excise shall come into force on 1 January 2012. In our letter we demonstrated how this amendment would affect competitiveness of the Polish steel industry. We prepared and forwarded to the Ministry of Finance the information on the volume and scope of consumption of excise energy products.

Steel industry at the European Economic Congress

In 2010, the global and national steel industry restored its pace of growth after the 2009 crisis and this trend maintains in 2011. Nevertheless, the sector is now facing new challenges resulting from the adopted by EC strategy for reduction of greenhouse gas emission, plans for low-carbon economy and Road Map'2050. An introductory speech was delivered by R. Talarek, President of HIPH, who moderated steel industry-related panel. Presentations about the market condition and prognosis according to assessment of particular Companies were made by Sanjay Samaddar, President of the Board of ArcelorMittalPoland, Andrejs Aleksejevs, President of the Board of Severstallat Silesia, Krzysztof Walarowski, President of the Board of Ferrostal Łab dy, Edward Szl k, President

of the Board of Koksownia Przyja , Tadeusz Wenecki, President of the Board of Koksownia Cz stochowa Nowa and Andrzej Warzecha, Deputy President of the Board of Polski Koks.

Participants of the discussion emphasised that accessibility to raw materials and the level of CO₂ emission allowances were decisive for competitiveness of the steel industry. The rising prices of electricity in Poland were noted. Panel attendees shared the opinion that the steel industry in Poland should be excise exempted in respect of energy products and the steel enterprises should not encounter additional barriers such as more and more financial burden introduced centrally and locally.

Mercury Convention to embrace steel

On 3.06.2011, having accepted an invitation from G. Henclewska, Undersecretary of State in the Ministry of Economy, we took part in a discussion regarding the status of negotiations over Mercury Convention in view of the limitation or elimination of mercury emissions to the atmosphere. Power plants, thermal power stations and industrial boilers fired with coal are considered to be the main sources of mercury emissions. Subsequent places on the list of large mercury emitters belong to production of non-ferrous metals, production of cement and waste incineration. The EU by supporting introduction of special obligations for the above "large emitters" additionally pointed out new sources of mercury emission such as production of iron and steel, gold mining and so called low emission, of which steel production and gold mining should be included in the Convention. This means introduction of additional regulations (BAT/BEP) intended to reduce mercury emissions in our industry (like the solutions applied in CO₂ emission trade). Joining the discussion, President of HIPH stressed that until we do not have a precise definition of a "large emitter" and clear guidelines for particular installations, we base on estimates. Based on the estimates, mercury emission from the steel sector constitutes less than 4% of national emission (around 80% is attributable to emission by power plants and

thermal power stations). The steel industry where the emissions come from sinter plant, blast furnaces, steel mills and installations fully integrated with steel production, the emission reduction techniques are already in place.

The measurements show that 95% of mercury and 25% of other heavy metals are steam. Pilot tests with application of special filters have proven the possibility of absorption of mercury from waste gases and reduction of its emission even up to 80%. We appealed to the government for positioning in their works the impact of steel industry on national mercury emission and our possibility of reduction of its emission.

Steel Day

Eurofer organised the first Steel Day in Brussels on 19 May 2011. The ceremonies included a conference attended by the EC's delegation and the steel industry's representatives. An exhibition showcasing steel applications took place as well. Wolfgang Eder, the President of Eurofer, presented situation of the steel industry in Europe and worldwide while Günther Apfalter from the company Magna introduced the outlook for the automotive sector. The discussion was also participated by Fabrizio Barbosa, Deputy Director of DG - Energy, Karl-Heinz Florenz, Member of EP, Commission for Climate Change and Antonio Tajano, Deputy President of EC, Commissioner for industry and entrepreneurship.

Steel Day is a new and interesting initiative of EUROFER.

Committee for Statistics

A meeting of the Committee for Statistics was held at the Eurofer's office on 19 May 2011. The following issues were addressed:

- Problems with availability of statistical data from the third countries,
 - Opinion of the associations from outside the EU regarding changes to the harmonised systems [HS] which is to come into force in 2017,
 - Recommendation for changes to [HS] in respect of stainless steel,
 - Problems with inconsistency of the Italy's and Spain's statistics with the Eurofer's one for production,
- Project of a database on production of EU steelworks (Steelworks Activities

Catalogue).

Refractories for steel industry

From 17 to 19 May 2011, Wisła hosted an international conference of the steel sector: "Refractories in metallurgy production, testing methods, application".

During the conference, President of the Board of HIPH delivered a speech on "Polish steel industry facing market and ecological challenges".

Energy aspect of Polish Presidency in the EU

On 28 April 2011, a debate was held at PAP's office on: "The year of energy. The energy aspect of Polish Presidency in the EU". President of HIPH presented the sector's opinion on the impact of the Package K-E on the steel industry. In spite of big pro-ecological accomplishments of the steel industry, new objectives of the EU eco-policy are a difficult and expensive challenge for the steel industry. They will affect our competitiveness against the third countries.

New investment project launched in AMP S.A.

ArcelorMittal Poland S.A. officially launched their new investment project, installation for desulphurisation of pig iron on 10.05.2011. The installation allows for deep desulphurisation of pig iron (from 500 to 10 ppm) which will significantly extend possibilities of steel production for demanding clients such as from the automotive sector, white goods and construction.

Linde Gaz launches a new air separation unit

On 13 May 2011, Linde Gaz Polska Sp. z o.o. officially launched a new unit for air separation in Kobierzyce near Wrocław. It is an example of consequent implementation of the development strategy of The Linde Group under the catchword: "Think globally, act locally". The investment will make it possible to supply gases to the industrial recipients not only from Poland but also in the neighbouring countries.

On this occasion, we extended our congratulations and wishes to the Management Board of The Linde Group.

Visit of Nordrhein-Westfalen's delegation

In the course of talks held with economic delegation from Nordrhein-Westfalen on 11-13 May 2011 in Katowice, the Management Board of HIPH proposed to the German side to organise a conference in autumn with participation of enterprises from the Polish and German metall sector demonstrating the existing links, potential and possibilities of the enterprises from both regions, Nordrhein-Westfalen and Silesian Voivodship as well as promoting steel.

Ceremonies of "2011 Steelworker's Day"

Upon invitation of the Management of our Members, we took part in the following ceremonies to celebrate Steelworkers' Day: at Huta Pokój S.A. (4.05.2011), at Huta Łab dy S.A. (4.05.2011), at Celsa "Huta Ostrowiec" Sp. z o.o. (13.05.2011), at AGH University of Science and Technology in Cracow (13.05.2011), at CMC Zawiercie S.A. (14.05.2011), at ISD Huta Cz stochowa Sp. z o.o. (20.05.2011), at Materials Engineering and Metallurgy Faculty, Silesian University of Technology (20.05.2011), at Faculty of Materials Processing, Technology and Applied Physics of Czêstochowa University of Technology. We extended our congratulations and wishes on this occasion.

Cooperation with other organisations

Polish Chamber of Commerce (KIG)

A meeting of the Council of KIG was held at the Polish Chamber of Commerce in Warsaw on 12 May 2011. President of HIPH takes part in works of the Council.

20th Anniversary of GIPH

On the occasion of 20th Anniversary of Mining Chamber of Industry and Commerce, we extended our congratulations and best wishes (23.05.2011).

Gala of RIG

In connection with celebration of the Day of Europe, the Polish Steel Association took part in occasional Gala.