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### With Deputy Prime Minister of Poland about Strategy for Metallurgy

On 12 March 2014, the Ministry of Economy in Warsaw held a meeting between DPM Janusz Piechocinski and the representatives of the metallurgical industry chambers - Polish Steel Association HIPH and the Chamber of Commerce for Non-Ferrous Metals and Recycling IGMNiR.

The meeting discussed the need to develop a coherent strategy for the domestic metallurgy in relation to the strategic directions set by the Action Plan for a Competitive and Sustainable Steel Industry in Europe. Deputy Prime Minister expressed his willingness to support the initiative and his readiness to chair the meetings of the Interministerial Group for Metallurgy. The work of this task force is expected to focus on finding optimal solutions and eliminating development barriers for producers of steel and non-ferrous metals which are existing in Polish economy, such efforts, as a consequence, to serve the strengthening of international competitiveness of the domestic metallurgical industry.

### Commercial Directors Forum

On 20 to 21.03.2014 Ustron saw the Commercial Directors Forum of HIPH held. Polish Steel Association presented an update on the current situation in the steel, coke and refractory markets. The invited representative of the Department of Trade Policy at the Ministry of Economy covered the current legislative status of the EC-proposed draft

Modernization of Trade Defense Instruments (MTDI) document and the current status of protective proceedings in the international trade in steel products and raw materials for the steel industry.

Association presented information on the effectiveness of legislative changes (after the introduction of the VAT reverse charge mechanism as from October 1, 2013 for steel products). The current outlet markets were reviewed for steel products in Europe and in Poland including forecasts for the second quarter of 2014.

### HIPH Council

On 26 March 2014 the Council was summoned of Polish Steel Association. The session focused on the steel, coke, and refractory market performances in 2013 and the status after 2 months of 2014. Actions taken by the Chamber as part of the Coalition were discussed including those impacts which the changes to the VAT law had on the situation on the steel market in Poland (reverse charge, joint and several liability, et al.). The Chairman of the Board presented the Council with the joint Senate Committees' position paper dated 05.03.2014 on the situation in the metallurgical sector in Poland, and debriefed about the meeting with the Deputy Prime Minister of Poland J. Piechocinski (12.03.2014) and about the meeting in the UOKiK (Anti-Monopoly Authority) on the gas market (held on 11.03.2014). The Council was informed about the seminar on Public Aid in the New Budget Perspective 2014 to 2020 for the Industry in Poland. The Members of Association Council were also made acquainted with Association financial result for 2013.

### EU Support for Steel making in the New Budget perspective 2014 to 2020

On 31 March this year, Polish Steel Association served jointly with the Chamber of Commerce of Non-Ferrous Metals and Recycling a letter to the EU

Commissioner of Competition J. Almunia on the Environmental and Energy Aid Guidelines for the period of 2014 through 2020. Our main goal is that producers could use reduced charges associated with the promotion of renewable energy sources and high-efficiency cogeneration.

### Letter to the Minister of Finance

On 1 April 2014, a letter was sent to the Ministry of Finance on behalf of the entire steel community of Poland, asking for a meeting to present the information on the current situation of the domestic metallurgical industry. The need for a discussion was highlighted about the possible roadmap to the excise tax exemption of the electricity used by large electricity consumers and the removal of the obvious mismatch between Polish excise tax system and the solutions applied by other Member States of the European Union and by competitors from non-EU countries.

### To the Minister of Economy

In carrying out the arrangements of the meeting with the Deputy Prime Minister of Poland Janusz Piechociński (of 12.03.2014), the 1 April of this year saw a letter sent to the Ministry of Economy containing the draft Regulatory Impact Assessment, an agreed position of the metallurgical industry to justify the appointment by the Prime Minister of the Interministerial Group for Metallurgy.

### EUROFER's Economic Committee

On April 9, at the headquarters of the Spanish Steel Association Unesid in Madrid, the Economic Committee of EUROFER convened. Most recent economic indicators suggest that the economic situation in the EU is improving. Economic growth in 2014 will amount to 1.4 %, and the contribution of individual factors to the GDP rate will be more balanced. The private sector seems to be more willing to invest, foreign investors are also on the rebound. Despite the ongoing recovery in the EU economy, there remains a risk as to the further growth acceleration. In addition to persistent delays in reforms, strong currency and low inflation rates, there are concerns about economic stability in third countries, major trading partners for the EU. Many emerging economies, particularly Brazil, India, Indonesia, Turkey and South Africa, felt the turmoil in the financial markets. Rising concerns are about the conflict between Russia and the Ukraine.

Forecasts drafted by EUROFER on the basis of information provided by the European steel associations indicate that demand for steel in the EU is slowly and

activities in key steel consuming sectors. The real consumption of steel products will increase by 2.1% in 2014 and by 2.4% in 2015. Despite the recovery, the gap between pre-crisis steel consumption of approximately 200 million tons remains significant. Apparent consumption will reach 146 million tons in 2014 and 150 million tonnes in 2015. What is also worrying is the high share of imports from third countries to the EU steel market.

Data from the first quarter of 2014 confirm a significant upward trend in imports, attracted by the growing demand and the strong Euro. The market conditions for producers in the EU are becoming increasingly difficult.

### Letters to the Polish Parliamentary Speaker and to Senate Committee

On 17 April this year, the Chamber requested in writing the Marshal of the Sejm, Ewa Kopacz, and the Committee on the Environment, Natural Resources and Forestry and the Special Committee on Energy and Energy Materials (with a copy to the Ministry of Economy's DIP) for the exclusion of regulations incompatible with the EU legislation from the draft Act amending the environmental Protection Act and other laws now being proceeded with in the Parliament

First of all, we wanted to draw attention to and support the implementation of the IED Directive and the Damages Directive in the absence of the Soil Directive, in accordance with the standards adopted in the EU Member States.

### Attended:

- the meeting of the Federation of Metals Trade Unions where we delivered the speech about The Situation of the Steel Sector in Poland, Europe and the World in 2013,
- the General Assembly of the Delegates of the Solidarity Trade Union NSZZ, the Board of the Silesian-Dabrowa Region, where we presented the current situation in the steel industry;
- a working meeting of the Members of the Forum of Electricity & Gas Consumers and the CO2 Forum;
- the Polish Road to a Low Carbon Economy Conference which was an introduction to the 6th European Economic Congress;
- informative meeting with the Ambassador of the Philippines organized by the Silesian Provincial Office, dedicated to the November 2014 mission to the Philippines;
- the We Used to Have Dreams #Economy Debate at the University of Economics as a summary of a decade of Polish membership in the EU;
- Bank Pekao SA conference presenting a Report on the Situation of Micro and Small Enterprises in 2013.

gradually increasing, driven by the improvement in