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### STAHL 2008

An international conference, STAHL 2008 took place in Düsseldorf on 12-14 November 2008. This year's conference was held under the motto: "Performance for tomorrow".

### AD procedure on import of welded hollow sections

On 13.11 2008, European Commission positively settled the complaint lodged on 29.09.2008 by 20 EU producers (61 % of EU production capacity) and officially commenced the antidumping procedure against the import of welded hollow sections from Ukraine, Turkey and Belarus to EU. In 2007, import of the sections from these countries accounted for nearly 1 million ton and constituted more than 20% of the EU apparent consumption. Import of the sections from the above sued countries to Poland in 2007 constituted more than 8% of the apparent consumption and its share in domestic consumption after 9 months of 2008 increased to 10%. The parties which lodged the complaint included Polish manufacturers of the hollow sections.

### CISA in HIPH

On 13-14 November 2008, HIPH hosted delegation of Chinese association of steel industry, CISA (China Iron & Steel Association). On the first day, the guests visited the Dabrowa Górnicza branch office of ArcelorMittal Poland S.A. On the second day, a meeting at the HIPH Board office took place. The meeting, apart from the representatives of the iron and steel association of Poland and China, was attended by Deputy Voivod of Silesia, Mr Stanislaw Dabrowa. The discussion took up the following issues:

- current situation in the steel industry in both countries,
- trade in steel products between China and Poland, and the possibilities of future cooperation of the HIPH with CISA.

### Training CDM, JI

On 18 November 2008, the HIPH's Board in collaboration with the Association of Refractory Makers organised a training under the title: Elastic Instruments ( CDM, JI, GIS) as a way to mitigate the negative effects of insufficient amount of CO<sub>2</sub> allowances in the refractory industries.

The training was provided by ATMOTERM S.A.

The following issues were presented during the training:

- the legal basis of the clean development mechanism (CDM) and joint implementation

projects (JI),

- characteristics of the JI/CDM mechanisms,
- project approval procedure for JI/CDM,
- CDM/JI projects performed in Poland and across the world.

The training was participated by the representatives of PMO KOMEX Sp. z o.o., Vesuvius Skawina Materiały Ogniotrwałe S.A., ZM Ropczyce S.A., Polska Ceramika Ogniotrwała arów S.A...

### REACH

On 19 November 2008, the Ministry of Economy hosted the first meeting of the Advisory Group for REACH acting at the Ministry of Economy. The Advisory Group was established for the following purpose:

- supporting the administration and industry in identifying practical solutions to the problems in connection with implementation of REACH Regulation,
- forming a forum for a prompt dissemination of information and documents related to REACH.

The Group, which is composed among others of HIPH's delegates, commences its operation as an expert group. Its operation is expected to be flexible in addition to REACH, the Group will deal with issues concerning chemicals (such as introduction of GHS harmonised system).

The Groups' composition is open to new experts. Important objective of the Group shall be the collaboration when implementing REACH Regulation to establish unified administrative practice.

It was agreed that the Ministry would provide members of the Group with the information on EU working groups involving Polish delegates.

Under the Group, representatives of particular sectors declared to provide their opinions on documents related to REACH and other regulations for chemicals.

### Ministry of Economy - HIPH

On 19 November 2008, initiated by the HIPH's President, a meeting was held with the Management of the Trade Policy Department at the Ministry of Economy. The meeting was to discuss the consequences of the current crisis from the point of view of the effectiveness and competitiveness of the sector and cooperating industries. The Department's Management confirmed that they implemented a number of objectives within the observance of healthy competitiveness principle by stakeholders of the domestic market. The

Department expressed its openness to our signals informing about possible irregularities in the market.

The meeting also discussed the previous and current status of antidumping procedure (file reference DPH-III-65330-230-KS/08) in relation to import of welded tubes and welded hollow sections from Belarus, Turkey and Ukraine. The Chamber co-operates with ESTA and Ministry of Economy in this respect.

### Situation of large electricity recipients at Polish Sejm

On 19 November 2008, President of HIPH's Board attended a meeting of the Fixed Energy Sub-Commission to the Economic Commission acting at the Polish Sejm. The meeting was also joined by the Under-Secretaries of State of the Ministry of Economy and Ministry of Environment, President of URE, UOKiK, Members of Parliament and representatives of large energy recipients. Based on the alerts received by the Chamber from the manufacturers, HIPH's President, on behalf of the steel industry and the cooperating sectors, made the following demands:

- the electricity price increase by 60% is unacceptable for the sector,
- the lack of predictable terms of energy purchase and delivery in the long run makes proper planning and projecting for many years ahead impossible for investors,
- in the domestic energy consumption structure (according to Central Statistical Office) export and justified losses are as much as the amount of energy consumption by individual recipients and exactly as much as the amount consumed by the energy sector for its own needs.

Better energy management in these three spheres would bring benefits to large as well as individual recipients.

Statements made by other representatives of large recipients sounded similar.

President of URE, upon hearing the opinion of large energy recipients, stated that: "since liberalisation of the energy market in Poland is not progressing, he will consider possible request for restoring tariff application". Chairman of the Fix Energy Sub-Commission to the Economic Commission of the Polish Sejm suggested for the second part of the meeting, which will be held in 2-week time, to work out concrete proposals how to solve the problem.

### Working meeting of EUROFER members on antidumping procedures

On 27 November 2008, Deputy President of HIPH took part in a working meeting organised by EUROFER in Vienna. The meeting was dedicated to the actual situation of EU steel

producers under the financial crisis and the rising import of steel products from the third countries. A "White & Case" expert discussed the procedures and rules governing the antidumping procedures in the European Union. The situation prevailing now in the steel products market in the EU was discussed including import from China: wire rod, hot-dip galvanised sheets and stainless cold-rolled flat products. The following antidumping procedures are currently executed against these products:

- rolled steel wire (China, Turkey and Moldavia) the procedure commenced on 8 May 2008,
  - stainless cold-rolled flat products (China, South Korea, Taiwan) the procedure commenced on 1 February 2008,
  - hot-dip galvanised sheets (China) the procedure commenced on 14 December 2007.
- In case of stainless cold-rolled flat products and hot-dip galvanised sheets, in spite of the end of 9-month period from the commencement date of the procedure, the EC did not impose provisional measures on import of these products and the procedure is continued.

In November 2008, Eurofer published the appeal to the European Commission and governments of the member states in press. The appeal was about taking up all possible legal measures against cheap import of steel from the third countries which either do not have market economies or have state aid and/or intervention. Such a situation can be observed in the Chinese steel industry where production capacities, production output and domestic demand are subject to a constant rise. The rise also applies to export of these products. China is a net exporter of long products (since 2000) and flat products (since 2006). In 2007, the surplus of export of steel products against import accounted for 45 million ton. According to the elaboration by a German Stahl-Zentrum, the costs of production and freight of Chinese steel products to EU are similar or even slightly higher than the costs of production of these products in the EU. Offering them at the prices lower than those offered by EU producers, may imply that some state aid was applied in export of steel products. The situation got even worse in November 2008 after the Chinese government abolished export duties for over 60 steel products.

### HIPH at COP-14

On 1 to 12 December 2008, delegates from 190 countries met in Poznań to discuss the climate change issues and the possibilities to prevent the changes. The Board of HIPH organised a Side Event in the European Pavilion on: "Climate Change and Steel". The Event was dedicated to accomplishments of steel industry with respect to environmental protection and future challenges. Three presentations were delivered:

- Polish steel industry development vs. consumer challenges in the future Mr R. Talarek,

President of the Board of HIPH,

- ArcelorMittal and Climate Change Issue Mr K. Buttiens, Senior Vice President of ArcelorMittal,

- A global steel sectoral approach the speech of Mr I.Christmas, Director General of the World's Steel Association was delivered by Mr M.Motyka.

Parallel to the conference, the Chamber organised an exhibition stand in Pavilion no. 15 which displayed pro-ecological achievements of steelworks.

### Deletion of Stalportal from the Chamber's Membership list

On 27 October 2008 based on the Decision of HIPH's Board, the company STALPORTAL S.A. was deleted from the membership list of the Chamber due to the company's arrears with payment of its membership fees.

### Recommended conferences

- 26-28 February 2009, Wisla: Economic Forum "Silesia 2009" on investment attractiveness of Silesia with participation of business people from Poland and several dozen other countries
- 24-27 February 2009, Leipzig: International Subcontractor Trade Fairs, Zuliefermesse 2009 on Spare Parts, Components, Modules and Technologies.
- 25-28 March 2009, Budapest, Hungary: 1st International Conference on Energy Efficiency and CO2 Emission in the Steel Industry,
- 6-10 June 2010, Düsseldorf: European Coke and Iron Making Congress. More information available on: [www.ecic2010.com](http://www.ecic2010.com)

To All Steelworkers and Their Families

Merry Christmas,  
Lots of Warmth and Magic Moments only,  
and New Perspectives  
in the Coming Year 2009



from

the Board and the Council  
of Polish Steel Association