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Meeting with ESTA

On 10 February 2009, the Board of the Association organised a meeting of the Polish Union of Tube Workers with the Secretary General of the European Steel Tubes Association, Mr Martinache. The meeting was also joined by Ms K. Stecz from the Trade Policy Department of the Ministry of Economy. The meeting took up the issue of the existing co-operation of ESTA and HIPH as well as the current situation on the steel tube market worldwide, in the European Union and Poland. Mr Martinache introduced the information on valid and ongoing antidumping procedures against the imports of steel welded and seamless tubes from the third countries to the EU. The meeting emphasized the importance of ESTA cooperation with national associations and governmental agencies of the member states from the point of view of the whole procedure carried out to protect the European market from unfair imports.

AD duties are valid for imports of seamless tubes from Croatia, Russia and Ukraine and welded tubes from Belarus, China, Russia, Thailand and Ukraine. In 2008, the European Commission commenced two new procedures concerning seamless tubes from China (the procedure will end in the second half of 2009) and cold formed closed sections from Belarus, Turkey and Ukraine. The rest of discussion was connected with the situation on the market.

In December 2008 and January 2009, production of welded and cold-drawn tubes in the European Union constituted around 30-50% of production in similar

period of the previous year. Producers inform that the number of enquiries is increasing while sales are subject to decline. Boiler tubes are the best in defending crisis. In the EU, layoffs are observed (currently the employment constitutes 30-40% of the employment noted in the middle of 2008) and more and more often a temporary closure of plants is enforced. ESTA's prognosis for 2009 envisage that the present low demand for tubes will maintain in 1st half of the year while in the 2nd half, the situation should improve.

What will happen next to NAP II

On 10 February 2009, at the First Instance Court in Luxemburg the case will be heard concerning the annulment of the EC's decision of 26 March 2007 on National Allocation Plan for Greenhouse Gas Emission in the period of 2008-2012. It was requested by the Polish government. Poland questioned again the decision of the European Commission on setting the total limit for CO₂ emission in 2008-2012 at the level of 208.5 million ton instead of the level proposed by the Polish government, i.e. 284.6 million ton.

The Court listened to arguments of the parties concerned. However, the decision shall be announced in a few weeks time (exact date is not known yet). Appealing against the decision does not change the fact that Poland has to and follows the EC's decision of March 2008 on reduced CO₂ emission limits.

Industry against the crisis

On 11 February 2009, the Board of the

Association organized a discussion forum, "Industry against the economic crisis", participated by the representatives of producers and sectors consuming steel goods. The forum created an opportunity of exchanging information on the situation in particular industrial branches and on individual measures taken up in the branches in order to combat the negative effects of economic slump. While opening the discussion, the HIPH's President presented a role of the steel industry played in the value added chain in the economy and reminded the basic assumptions of the governmental "Plan for Stability and Development of the Economy" constituting a proposal made by the Polish government on how to counteract the world's economic crisis. During the forum, participants were investigating the solutions for improvement of the collaboration among branches and effective measures against the crisis. The discussion attracted voices raised by the representatives of the sectors consuming steel goods such as steel structures, mining, machinery construction, fuel and coke industry, power sector and steel producers. The key challenges for producers in all industrial branches are high electricity prices, decreasing demand on the traditional exports markets and the cash-flow problems starting to be observed on the market.

WUP Seminar

On 20 February 2009, we took part in a seminar organised by the Voivodeship Labour Office (WUP) in Katowice. The seminar was held in Katowice under the title: Support for restructuring processes in Silesia Voivodeship.

The seminar addressed the situation on the labour market taking into

account the planned layoffs and the possibilities of supporting enterprises under the Measure 8.1.2, "Support for the adaptation and modernisation processes in the region" included in the Human Resources Operational Programme for Silesia Voivodehsip.

HIPH on excise

On 23 February 2009, the Board of the Association addressed a letter to the Ministry of Finance with a request for reducing the rate of excise tax applied for the electricity consumed by steelworks.

... „By nature of its physical and chemical processes, the steel industry is the capital and energy consuming industry. In Poland, the average share of energy in total steel production costs accounts for around 10% and reaches even 37% in case of ferroalloys. In order to stay competitive, it is not enough for domestic steelworks to undergo constant restructuring aimed at reducing costs and shifting the production to higher market value goods. As a result of the global crisis, production in the sectors producing steel consumption and investment goods are on decline which, as a consequence, leads to reducing production by steelworks and hence worsening their financial standing.

Due to weak Polish currency, imports of raw materials and products required for steel production became expensive while high electricity prices (up by 43%) made domestic products less competitive not only against traditionally cheap goods from the East but also the European ones.

The domestic steelworks are afraid that they will not take advantage of the opportunity which is created by large infrastructural projects applying steel. Majority of the steel required for construction of bridges, hotels and

sports facilities for EURO 2012, will certainly come from imports.

In order to improve the situation of national producers, the Board appealed to the Ministry of Finance to exempt the electricity used by steelworks from excise tax (or to reduce the tax rate to the level of 0.5 €/MWh)..."

REACH-SERV tool

Initial registration resulting from implementation of the Regulation (EC) No. 1907/2006 of the European Parliament and the Council dated 18 December 2006 on registration, evaluation and authorization of chemicals (REACH) had been completed on 1 December 2008. Now, the enterprises face the most important stage, a full registration of chemicals. In order to ease the process, the Ministry of Economy, the European Chemical Agency, ECHA and the REACH Centre have published guidebooks and bulletins with the required information. In addition, a special tool, Reach-Serv, has been enforced which enables the self-education and participation in on-line courses on a free of charge basis.

Reach-Serv is an easy way in a bush of complicated law. The guidebook is worth reading!

Trade Fairs in Pozna

During the International Trade Fairs in Pozna , the Board of the Association is going to organise an international conference "Industrial Health and Safety Regulations".

More information available on the website: www.hiph.org