

In this issue:

- HIPH Council Meets
- 3rd Steel Safety Forum
- Commercial Directors Forum
- Letters to the Ministry of Environment
- Letter to the Ministry of Energy
- Letter to the Ministry of Environment
- Letter to the Ministry of Energy
- Letter to the Prime Minister of Poland
- Letter to Prof J. Buzek
- Our voice in the media
- Events attended

HIPH Council Meets

8 December, 2015 saw the HIPH Council meet at the headquarters of CMC Poland Sp. o.o. at Zawiercie.

The Council Members were updated about the situation of the steel, coke and refractory markets after 10 months of 2015.

A summary was made of the work status of the coalition formed with the participation of HIPH and law firms in the following areas: extending the scope of the Project Samson Agreement, Improving the Competitiveness of the Steel Industry in Poland, a new order for the Improvements in the Area of Energy and Climate Policy. The session also discussed issues of market defence in terms of GOES, MES China (Market Economy Status) and the opportunities and threats arising from the T-TIP: Free Trade Agreement between USA and EU.

3rd Steel Safety Forum

8 December, 2015 saw the 3rd Steel Safety Forum held at CMC Poland Sp. z o.o. at Zawiercie. The meeting was attended by persons responsible for safety of the largest steel companies in Poland and by academic institutions. During the meeting their representatives delivered presentations including of CMC Poland about Safe Scrap, of Celsa Huta Ostrowiec about Post-Accidents Proceedings (theory vs. practice), of Centrozłom about Permanent Monitoring of Occupational Health and Safety. The Participants of the 3rd Steel Safety Forum made a commitment to further cooperation and exchange of experiences aimed at achieving a fully safe working environment during subsequent Forum meetings.

Commercial Directors Forum

On 14 to 15 December 2015 at Ustro , a subsequent Commercial Directors Forum was held. The sessions discussed issues concerning: steel, coke and refractory materials market developments, steel trade between EU and third countries, T-TIP, EU trade defence instruments modernization and current anti-dumping and anti-subsidy proceedings in international trade in steel products and raw materials for the steel industry. Anna Parol, representative of the Trade Policy Department of the Ministry of Economy, provided the update about the current state of play of the MES China procedure and the consequences of granting China the market economy status, about difficulties in applying EC market protection instruments and legal possibilities of limiting growing imports of steel products from third countries at dumped prices.

Letters to the Ministry of Environment

21 December 2015 saw the Board of the Polish Steel Association send a letter to Jan Szyszko, Minister of Environment, requesting a rejection of the draft Regulation of the Minister of Environment on the method of conducting the contamination assessment of the earth surface (draft dated 24 November, 2015) in its entirety.

22 December, 2015 saw another letter to Minister Szyszko asking for a meeting in order to present the condition of the Polish steel industry and the challenges it faces, and to discuss urgent measures that must be taken in connection with the reform of the European Emissions Trading System.

Letter to the Ministry of Energy

This 4 January saw HIPH forwarding our comments to Krzysztof Tchórzewski, Minister of Energy, as legislative proposals in connection with the issue of 28.12.2015 of Version 1.25 of the draft Energy Efficiency Law Government's declared readiness to engage in efforts to protect the competitiveness of the industry.

Letter to the Ministry of Environment

On 6 January 6, 2016 the Board of Polish Steel Association sent a letter to Paweł Salek, Secretary of State, Government Plenipotentiary for Climate Policy with the Ministry of Environment. The letter contained the demands of the Association for changes in the draft directive amending Directive 2003/87/EC on the greenhouse gas emissions trading system.

Letter to the Ministry of Energy

On 6 January, 2016 a letter was sent to Piotr Naimski, Secretary of State, Government Plenipotentiary for Strategic Energy Infrastructure with the Ministry of Energy, on safeguarding the international competitiveness of Polish steel sector and the stability of the Polish power system in the context of the implementation of the demand side response mechanisms, the introduction of capacity markets and the threat of active power shortage in the national power grid system.

The letter pointed out that the situation of the steel industry is not good and it is with anxiety that the consecutive loss of its share in the Polish and EU market resulting from a drastic increase in imports of steel products from Belarus (for example, the share of rebars from Belarus increased in the Polish market to as high as 20 % today from 2% two years ago) as well as China, Ukraine and Russia. One of the most pressing problems is the prospect of insufficient amounts of active power in the national power system, which manifested itself as a power supply crisis in August 2015.

We emphasised that the inclusion in the Polish legislation of the demanded effective DSR services (Demand Side Response) could complement other mechanisms to ensure sufficient active energy volumes to the national power system. Also we opted for the need to implement the Directive on the Energy Efficiency to the domestic legal framework and asked a meeting with representatives of the metallurgical sector. Similar letter was sent to Eryk Kłossowski, CEO of Polskie Sieci Elektroenergetyczne S.A. (National Grid Company).

Letter to the Prime Minister of Poland

January 18, 2016 saw HIPH send a letter to Beata Szydło, Prime Minister of Poland, regarding establishing a long-term cooperation in the area of climate policy aimed at protecting the interests of and strengthening the international competitive position of the industry in Poland. The letter included thanks for the invitation to attend the meeting on 8 January 2016 at the Prime Minister Chancellery where the Polish government was represented by ministers and deputy ministers in charge of Energy, Environment and Foreign Affairs, who heard the opinions of the representatives of Polish industry on the shape of the climate policy and the reform of the European Trading Scheme (EU ETS).

Our letter commented more broadly topics such as:

- setting up an expert team on climate policy at the Prime Minister's,
- tri-pack mechanisms for the protection of sectors exposed to carbon leakage including:
 - a) the proposal of a varied (intensity-based) division of allocations according to the exposure to carbon leakage (i.e. Tiering);
 - b) dynamic allocations;
 - c) favouring enterprises operating in the countries which, due to the proximity to the non-ETS countries, are more exposed to carbon leakage and competition from cheaper goods because of the lack of burden associated with the purchase of emission rights.

Letter to Prof J. Buzek

29 January, 2016 saw HIPH sent a letter to Prof Jerzy Buzek on the revision of the EU Emissions Trading Scheme (ETS) for the period 2020 to 2030, which is currently under discussion in the European Parliament and the Council. The main purpose of this revision will be to design the distribution of a limited pool of CO₂ emission allowances so as to create incentives to invest in low carbon technologies in the most cost-effective manner.

The letter emphasised the fact that in order to reconcile the EU ETS with the agenda for growth and jobs best installations should not bear any additional direct or indirect climate costs. This would encourage and facilitate the introduction of innovations necessary to achieve the objectives of reducing CO₂ emissions while maintaining this strategic sector in Europe and maintaining the current employment numbers.

Our voice in the media

- Steelmakers to the EU Administration: Come Down To Earth, WNP (03.12.2015);
- As Yet, We Are Growing, Rynek Stali (December 2015);
- 2015 Saw Production Output and Steel Consumption Grow and Prices Fall, PAP (15.01.2016);
- Steel Priorities, Magazyn Hutniczy (26.01.2016);
- Steelworks to Spend More Than PLN 2 Billion for Environmental Projects, PAP (27.01.2016);
- The World Limits Steel Production. Poland Is an Exception, because Its Production Is Growing - Puls Biznesu (29 to 31.01.2016).

Events attended:

- meeting of representatives of the steel coalition at the Ministry of Development with Under-Secretaries of State, Mariusz Haładyj and Tadeusz Kociński, Warsaw (08.01.2016)
- meeting at the Prime Minister Chancellery - round table attended by Konrad Szymański, Secretary for European Affairs, dedicated to the competitiveness of Polish power industry and energy-intensive industries in the context of EU climate policy, Prime Minister's Office, Warsaw (08.01.2016)
- meeting about the BATs, AMPD browa Górnicza (12.01.2016)
- meeting with Ewa Malik, Deputy Chairman of the Economic and Development Parliamentary Committee, AMPD browa Górnicza (01.12.2016 r.)
- meeting at NCBiR National Research Centre about the preparation of a research agenda for the steel sectoral program INNOSTAL, Warsaw (18.01.2016);
- meeting with the EU Commissioner Elbieta Biełkowska about steel matters, Brussels (21.01.2016);
- meeting of the Parliamentary Energy and State Treasury Committee, Warsaw (28.01.2016);
- meeting of the Historical Committee at SITPH (Steel technicians and Engineers Ass.) where HIPH Board Chairman delivered a presentation on The Current Situation in the Iron and Steel Industry, Katowice (04.02.2016);
- telephone conferences and numerous meetings with EY in the framework of the Steering Committee and extant coalitions about competitiveness of the Polish steel industry.