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### Comprehensive contracts continued

The Management Board of the Association has initiated two working meetings of the Energy Experts Team recently (30.09.2009 r. i 3.11.2009).

During the meetings, the execution of comprehensive contracts for gas purchase by steelworks was discussed. The discussion was focused on:

- adjusting gas fuel sales contracts concluded before 1 July 2002 to the terms stipulated in art. 5 of the "Energy Law".

According to the entities, gas recipients, numerous provisions included in drafts of the new contracts are less advantageous for them than the provisions in the existing contracts.

Once the opinions were received, the Management Board of the Association prepared a collective stance on behalf of its members which was included in a letter sent to PGNiG under reference HIPH/1631/09 with a copy to the President of the Energy Regulatory Office and the Minister of Economy.

As a result of the discussion a final stance was prepared and forwarded to URE on 10.11.2009. Copies were sent to the management of steel companies, the gas recipients.

### CO<sub>2</sub> emission benchmarks for steel industry

On 29 October 2009, the Economy Development Department of the Ministry of Economy received the Association's opinion concerning the selection of benchmarking model for CO<sub>2</sub> emissions for steel installations. We asked for:

1. Steel industry's benchmarks to

constitute the average from 10% of the most effective installations,

2. Benchmarking model proposed by EUROFER to be recommended on the European level,

3. Full scope of CO<sub>2</sub> emissions from the steel sector to be referred to the installations producing 5 base products such as coke, sinter, hot metal, EAF carbon steel and EAF high-alloy steel while CO<sub>2</sub> emissions from "downstream", i.e. finished products production phase, to be referred to the installations which comprise re-heating, heat treatment and hot dip galvanising.

### Meeting of Environment Protection Team

On 5 November 2009, the Association hosted a meeting of the Environment Protection Team acting at HIPH. The following was discussed:

- Current works performed by Ecofys and EUROFER in connection with benchmarks for the industries exposed to "carbon leakage" and included in EU ETS,

- Sectoral stance on benchmarks (HIPH/1816/09, HIPH/2136/09),

- Bill on waste in view of the new directive of the European Parliament and the European Council 2008/98/WE on "waste and waiving certain directives" of 19 November 2008, Poland's standpoint during COP-15 in Copenhagen.

### CDD ESTA Meeting

Members of the European Steel Tube Association (ESTA) met in Athens on 5 and 6 November 2009. They discussed

the following subjects:

- Current state of protective procedures for the tube market in EU and worldwide,
- Situation in the production, import and apparent consumption of tubes in EU after 6 months of 2009,
- Economic situation in the whole of EU and in particular EU member states,
- Preliminary draft of ESTA's budget for 2010.

After 6 months of 2009, production of seamless tubes in Europe dropped by 41%, export and import dropped by 27% and 54% respectively while apparent consumption was down by 54%. Tubes with seam up to 406.4mm also recorded drops: in production by 46%, in export by 14%, in import by 62% and in apparent consumption by 46%. Tube import from the third countries declined by over 50% compared to similar period in 2008.

In the discussion it was pointed out that tube manufacturers encountered problems when applying for a bank credit.

### **Union of Polish Tube Workers**

On 25.11.2009, the Sosnowiec headquarters of Buczek-HB Zakład Produkcji Rur Sp. z o.o. hosted another meeting of the Union of Polish Tube Workers. The following was on the agenda:

- Situation on the steel tube market based on the information obtained from the CDD ESTA meeting (6.11.2009 r.),
- Current state of protective procedures in EU and in certain third countries,
- Steel tube market in Poland after 10 months of 2009,
- Assessment of the current situation on the market and prognosis of domestic manufacturers for 1Q 2010, Rules of cooperation between HIPH

and ESTA were discussed, especially the terms and costs of ESTA membership.

### **IISI in Düsseldorf**

A meeting of sectoral organisations was held in Düsseldorf on 11.11.2009. During the meeting, a calendar of steel related events in Europe and worldwide was presented. The nearest conference to be hosted again by Poland (co-organised by HIPH) will be titled "New Developments in Metallurgical Process Technology" and will take place in Warsaw in 2012. Another event to be organised in Poland is "International Conference in Advanced Solidification Processes". This conference is scheduled for 2015 (venue was not determined yet).

### **Talk about Steel**

On 12 November 2009, Düsseldorf Congress Centre hosted an important event STAHL'2009 consisting of presentations (in 6 thematic blocks), discussions and exhibition promoting new steel products and technologies. The presentations fell into the categories as below:

- Challenges and development strategies for the coke and steel industries in view of the current market situation,
- Innovation in the steel industry,
- Modern foundry and innovative products,
- Ecology,
- Social aspects.

Due to the crises affected economic situation, the conference was shortened to one day and the scope of exhibition was reduced. Nevertheless, the meeting was interesting as much as it was last year.

### **Meeting at Ministry of Economy**

On 26 October 2009, the Management

Board of the Association participated in a meeting at the Ministry of Economy. The meeting was dedicated to the bill on packaging and packaging waste.

### **15 Anniversary of ZPPH**

The management of the Union of Steel Industry Employers (ZPPH) received our congratulations for their successful representation of the steel sector employers in social dialogue during the sector's transition period, for their involvement in coordination of the law under the Supra-Company Collective Labour Agreement for Steel Industry Employees, the Steel Social Package and the Restructuring Law of 2001 as well as for their active support for the sector's attempts to improve the legal and tax conditions ruling the economic performance of steel enterprises. We wish them further successful anniversaries.

### **Ceremony at Labeledy**

On 30.10.2009, Huta Labeledy organised an official ceremony of launching their new yoke hall. The Management Board of the Association passed a congratulation letter to the Management of Huta Labeledy.