

UK Steel Press Release: British Steel Sale Preferred Buyer Announcement

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Commenting on the announcement that Ataer Holding has been selected as the preferred buyer for British Steel, Gareth Stace, UK Steel Director General, said:

“Today’s announcement is enormously positive news for British Steel, its workers, and UK manufacturing as a whole. British Steel’s production facilities in Scunthorpe and elsewhere in the North East represent one third of the UK’s steel production and are a major strategic asset to our country; their loss would leave our manufacturing, construction and infrastructure capability in a considerably poorer state.

“While there is much work still to be done, today’s announcement is an important stepping stone on the way to securing a sustainable future for this cornerstone of British industry. Government support will undoubtedly be critical to taking the process forward from here, and its efforts and interventions provided to date are to be much welcomed.

“However, we must not lose sight of the longer term picture for the whole steel sector just as we see light at the end of this particular tunnel. It is important we move on from the current reactive approach, to one in which a shared, long-term strategic vision sits front and centre.

“The UK steel sector has a potentially bright future, underpinned by increasing UK and global steel demand for our products, but the Government must recognise the need to address the business environment in the UK which currently undermines our competitiveness. The steel industry is ready to invest in its future in the UK, all it requires is a partnership with the Government to help deliver a level playing field that can unlock its potential.”

ENDS.

Notes:

About UK Steel: UK Steel, a division of Make UK, is the trade association for the UK steel industry. It represents all the country’s steelmakers and a large number of downstream steel processors.

<https://www.makeuk.org/uksteel>

A New Deal for Steel:

UK Steel’s policy priorities document detailing the benefits to the UK of a strong and sustainable steel industry and how it can be delivered can be found here: <https://www.makeuk.org/news-and-events/news/2019/08/01/a-new-deal-for-steel>. Six key measures required:

- Secure tariff free access to EU markets for UK steel, avoiding the imposition of EU steel safeguards
- Deliver competitive electricity prices for UK steel producers

- Deliver business rates reform, bringing costs in line with EU competitors
- Maximise the economic value to the UK of its public infrastructure investment, by taking a strategic approach to public procurement of steel
- Boost UK steel R&D by using the £225 million in returned industry levies from the EU Research Fund for Coal and Steel
- Work with industry to develop a more competitive climate change and carbon pricing policy

The UK Steel Sector in Numbers:

- Produces 8 million tonnes of steel a year, around 80% of the UK's annual requirement
- Employs 32,000 people directly in the UK and supports a further 52,300 in supplies chains and local communities
- The average steel sector salary is £36,000, 28% higher than the UK national average and 46% higher than the regional average in Wales, and Yorkshire & Humberside where its jobs are concentrated
- Makes a £1.6 billion direct contribution to UK GDP and supports a further £3.9 billion
- Makes a £3.2 billion direct contribution to the UK's balance of trade
- 96% of all steel used in the UK is recovered and recycled to be used again and again