

UK Steel Press Release: British Steel Sale Announcement

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Commenting on the announcement that Chinese firm Jingye Steel has entered into a sales contract to purchase British Steel, Gareth Stace, UK Steel Director General, said:

“Today’s announcement is positive news for British Steel and its workers. 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 remains much work still to be done, today’s announcement is a huge hurdle overcome on the way to delivering a sustainable future for this cornerstone of British industry. A commitment to long-term investment and production in the UK is absolutely essential and naturally must sit at the heart of any purchase that now goes ahead. Government support will be critical in helping to deliver this and its efforts and interventions already 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 vital we move on from the current reactive approach, to one in which a shared, long-term strategic vision sits front and centre. Today we have launched an ambitious new manifesto for the UK steel sector that does just that. We urge politicians of every stripe to take note and take action.

“The UK steel sector has a potentially bright future, underpinned by increasing UK and global demand for our products, but government must recognise the need to address the business environment in the UK which currently undermines our competitiveness; not least the chronic uncertainty around Brexit. The steel industry is ready to invest in its future in the UK, all it requires is a partnership with government to help deliver a level playing field that can unlock its potential.”

ENDS.

Notes:

About UK Steel: UK Steel, 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>

UK Steel Manifesto 2019: Laying the Foundations for a Vibrant UK Steel Industry

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/insights/publications/2019/11/11/uk-steel-manifesto-2019>.

Six key measures required:

- Secure tariff free access to major markets for UK steel exports
- 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