

HS2 Go-ahead: Government purchasing power must benefit UK steel makers

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Commenting on the Government announcement to approve HS2, UK Steel Director General, Gareth Stace, said:

“We welcome the Government’s decision to press ahead with HS2 in full, and today we are calling on the Government to ensure that the benefits of this multi-billion pound project are felt in all four corners of the United Kingdom, by maximising the opportunities to use high-quality UK steel products.”

“It is estimated that HS2 will use 2 million tonnes of steel over the next 10 years and the UK’s steel producers stand ready to supply the steel for the new track, rolling stock, tunnels, bridges and much more besides. The use of UK made steel for HS2 would support over 2,000 jobs, and deliver £1.5 billion to the UK economy – ensuring the benefits of this project are not just felt along the route, but in steel communities across the UK.”

“Last May, the steel industry, with BEIS support, launched the [UK Steel Charter](#), a new initiative that will drive-up the use of UK produced steel in public projects. We firmly believe that where projects are paid for from the public purse, there is a duty to maximise the benefits to the UK in terms of jobs, skills and economic growth; the use of UK steel will do just this. We now call on HS2 and the Transport Department to sign up to the Charter and ensure that this multi-billion pound project benefits steel communities across the UK.”

ENDS.

Notes:

UK steel in numbers:

- Produces 7.3 million tonnes of steel a year, around 65% of the UK’s annual requirement¹
- Employs 32,600 people directly in the UK and supports a further 41,100 in supplies chains²
- The average steel sector salary is £36,238, 18% higher than the UK national average and 36% higher than the regional average in Wales, and Yorkshire & Humberside where steel sector jobs are concentrated³
- Makes a £2.8 billion direct contribution to UK GDP and supports a further £3.6 billion⁴
- Makes a £2.5 billion direct contribution to the UK’s balance of trade⁵

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.

¹ International Steel Statistics Bureau – 2019 UK Steel raw steel production

² ONS – Business Register and Employment Survey 2019 and ONS Type 1 employment multipliers

³ ONS – Annual Survey of Hours and Earnings

⁴ ONS GDP Output – low level aggregates 2019 and type 1 multiplier

⁵ International Steel Statistic Bureau – UK steel exports net of import of raw materials/inputs