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Welsh Government backs steel to become first signatory of new 'UK Steel Charter'

Welsh Economy and Transport Minister, Ken Skates, met with representatives of the steel industry today at Tata Steel's Shotton works for the Welsh Government's official signing of the UK Steel Charter. The Welsh Government has become the first official signatory of this important new initiative aimed at boosting the levels of UK produced steel used in UK construction and infrastructure projects.

With just over half of all the steel used in Welsh, English and Scottish construction projects, 6 million tonnes annually, currently coming from abroad, the potential to purchase more steel from Welsh producers, and those elsewhere in the UK, is significant and would boost steel production, support steel jobs and communities, and increase GDP in Wales and across the UK.

The UK Steel Charter, building upon existing Welsh Government policy in this area, asks organisations such as Welsh Government, Whitehall departments, and major infrastructure projects to sign up and commit to a range of simple procurement steps. These steps could transform the way we purchase steel and other materials, ensuring decisions aren't simply made on the basis of 'lowest upfront cost', but take into account longer term strategic aims such as social and environmental considerations, and Wales's long-term economic growth.

The public sector, including the Welsh Government, is the single biggest purchaser of steel in the UK. UK Government alone will purchase some £2.5 billion worth of steel in the next five years with significant additional volumes also being procurement by the Welsh Government, other devolved administrations, local authorities and massive private sector projects like Heathrow, Hinkley C and offshore windfarms. Public procurement is a hugely significant policy tool and government intervention into the economy – the UK Steel Charter will help to harness this power for the good of UK manufacturing, jobs and GDP.

As part of its commitment to the UK Steel Charter the Welsh Government has committed to:

- Develop a pipeline of future steel requirements in Wales
- Require the origin of all steel used in future Welsh Government projects to be provided
- Advertise clearly all future opportunities for the supply of steel in Wales
- Engage early on in projects with steel producers and supply chains
- Appoint a 'UK Supply Chain Champion' to manage engagement with the steel sector
- Stipulate British steel standards within project requirements

Commenting on the Welsh Government commitment to the UK Steel Charter Gareth Stace, UK Steel Director General, said:

"I am incredibly pleased that the Welsh Government has today become the first committed signatory to the UK Steel Charter. With over half of the UK's steel production taking place in Wales, today's

commitment from the Welsh Government once again symbolises and solidifies its commitment to our industry, one that remains the beating heart of the Welsh economy. “

“As one of the largest purchasers of steel across the UK, the Welsh Government’s procurement decisions have a major impact on the steel industry and the supply chains it sits within. Today’s commitment will not only increase opportunities for those supplying steel into Welsh public projects, but act as an example to other organisations across the UK to follow suit. In doing so the Welsh Government will act as a beacon of good public practise. “

Welsh Economy and Transport Minister, Ken Skates, said:

“Wales is synonymous with the production of excellent quality steel, something Welsh Government has fought tirelessly to support over recent years.

“This Steel Charter further demonstrates our commitment to the industry. It is a well thought out, workable commitment from us as both supporters and procurers of Welsh steel, providing some much needed certainty to the industry here and ensuring our projects benefit from the use of high quality, British steel wherever possible.

“The Charter fully compliments our 2018 Procurement Advice Note supporting the sourcing of steel and, as we look to help further future proof the production of steel here, I call on Governments and public sector procurers from across the UK to look closely at how they too could play their part in ensuing we step up our support for the British steel industry.”

Deirdre Fox, Director Strategic Business Development, Tata Steel, and Chair of UK Steel Procurement Committee said:

“Tata Steel is proud to be part of the UK Steel charter initiative and enormously pleased that Welsh Government is its first partner. We employ over 6,500 people in Wales and many thousands more in our supply chains – so it is only fitting that the Government in Wales was the first to step forward and make this hugely positive commitment encouraging others to do the same.

“As a company, over a quarter of what we produce feeds into the UK construction sector, enabling major infrastructure projects and iconic buildings like the Principality Stadium as well as being exported to the EU and globally. Local, high quality steel is key to a strong and vibrant construction sector in the Wales and the wider UK, transforming our built environment and shaping the way we live.”

ENDS.

Notes:

The UK Charter and accompanying guidance can be found here:

<https://www.makeuk.org/Insights/Publications/2019/04/18/UK-Steel-Charter>

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Existing Welsh Government guidance on the public procurement of steel can be found here:

[https://prp.gov.wales/docs/prp/toolkit/PANSteelprocurementsupportingthesourcingofsteelinconstructionandinfrastructureprojectsFINAL\(ENGLISH\).pdf](https://prp.gov.wales/docs/prp/toolkit/PANSteelprocurementsupportingthesourcingofsteelinconstructionandinfrastructureprojectsFINAL(ENGLISH).pdf)

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.