



DEBATE PACK

16 September 2015

The UK Steel Industry

**Back Business Committee Debate
Commons Chamber
17 September 2015**

Subject Specialist:
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1. Summary - the UK Steel Industry

The steel industry in the UK is small compared to other manufacturing industries and has declined in recent decades.

Manufacture of iron and steel in the UK

2014

	Total	% of UK
Economic output (£ million)	1,686	0.1%
Businesses (employers)	205	0.02%
Employees	20,200	0.1%

Sources:

ONS, *Second estimate of GDP*, Q2 2015, Low Level Aggregates Table

BIS, *Business population estimates*, 2014

ONS, *Business Register and Employment Survey*, 2014

Notes:

Employment refers to in Great Britain

Business data is for the beginning of 2014

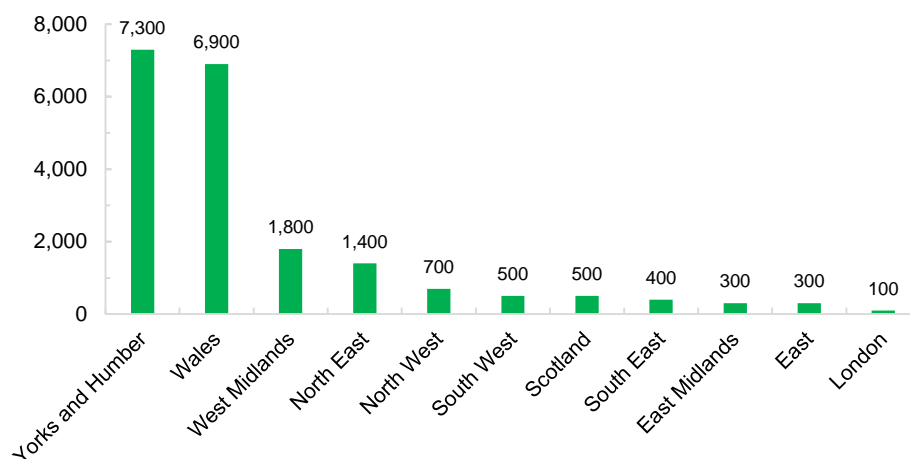
SIC code 24.1: manufacture of basic iron, steel and non-ferro alloy

- The iron and steel manufacturing industry contributed £1.7 billion in 2014. This was 2% of UK manufacturing output and less than 0.1% of total UK economic output.
- There were around 200 businesses in this industry at the beginning of 2014.
- 20,000 people were employed in this industry. This was less than 1% of manufacturing employees and less than 0.01% of all employees in the UK.

Steel industry employees work predominantly in Yorkshire and the Humber or in Wales.

Employees in the manufacture of iron and steel

2013



Over 70% of employees in this industry (14,000) worked in Yorkshire and the Humber or in Wales. The West Midlands and the North East were the only other regions or countries of Great Britain to have more than 1,000 iron or steel manufacturing employees.

2. Press Articles

Daily Telegraph

[The Beginning of the End for British Steel Making](#)

15 September 2015

Daily Telegraph

[Government rejects Redcar's plea for £100m emergency loan](#)

15 September 2015

Guardian

[Tata Steel to cut as many as 250 jobs in south Wales](#)

27 August 2015

Financial Times

[Tata targets 720 job cuts at English steel plants](#)

16 July 2015

Guardian

[Tata steelworkers prepare to strike as gloom descends on Port Talbot again](#)

10 June 2015

Financial Times

[Tata Steel disappoints with \\$615m annual net loss](#)

20 May 2015

The Economist

[Steelmaking: Twin Peaks](#)

4 April 2015

3. PQs

[Government Strategic Support](#)

Asked by Stephen Kinnock: I thank the Minister for her response. Given the crucial role of the steel industry to the British manufacturing sector and our very sense of pride and prestige as an industrialised nation, will you today agree to accelerate the full implementation of the energy-intensive industries package? Crippling energy bills are crippling the steel industry, and it is time for the Government to act.

Answered by Anna Soubry: The question was obviously to me, Mr Speaker, but that does not matter. Importantly, we know that the steel industry faces very difficult times. It would be fair to say that these are the most difficult times it has ever faced in this country. We are looking at all the things that the Government can do to continue to assist the steel industry, and we have already started that work, which is one of the reasons why I am going to China next week, specifically to talk to the Chinese about their over-production and the allegations of dumping. I could expand on other points and will no doubt do so in answer to supplementary questions.

Asked by Anna Turley: My hon. Friend the Member for Aberavon (Stephen Kinnock) is right: there is a crisis in UK steel making and 2,000 jobs in my constituency are at risk. I have secured a Backbench Business debate on Thursday, and I would be grateful if Ministers could come to pledge their support for UK steel making. We have to see action on energy prices and business rates. If we do not, UK steel will have no future. It is up to Ministers now to take action.

Answered by Anna Soubry: I am delighted that the hon. Lady has secured that debate on Thursday and I will be there. It follows on from the debate that we had in Westminster Hall. As we know, there is an over-production of steel across the world. The consumption of steel has fallen dramatically and that has meant, for example, that the price of slab has almost halved. People say we could do something about the price of energy—if only it were that simple. It is hugely complicated. We already have a compensation scheme and we are looking at how we can expand it, but we have to make it clear that if we begin to take the pressure off electricity-intensive industries, we have to shift it somewhere else. It is not as simple as it perhaps seems, but the hon. Lady can be assured that we are well aware of what is happening in SSI UK, which is why I met it last week.

Asked by Stephen Doughty: The Minister and I have discussed the clear and present dangers to the UK steel industry in a constructive fashion several times since she took her post. Given a summer of deeply worrying developments in the steel industry, not least with the news today from Redcar, can she assure us—notwithstanding what she has said today—that she has the full backing of the Prime Minister and the

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Chancellor to take whatever action is necessary urgently to stand up for the steel industry in the UK?

Answered by Anna Soubry: Unfortunately, I was not present at Prime Minister's questions last week, but I know that the hon. Member for Scunthorpe (Nic Dakin) put a question to the Prime Minister, who made it very clear that he wants to give his full support to our steel industry. We recognise its importance to the economy and I am delighted that I have had so many very positive meetings with Members, notably Opposition Members, in which we have explored all the difficulties in an atmosphere that has been frank about what more we can do. We also have to understand that we are limited. The state aid rules just do not help.

HC Deb 15 September 2015 Column 892-94

Asked by Tom Blenkinsop: The UK steel industry is a key foundation industry for Britain, but it is in crisis. Will the Prime Minister join me and the rest of the all-party group for the steel and metal-related industry to call on the leadership in Mumbai to intervene directly in this situation and get their colleagues in Tata Europe to get back around the table and avoid potentially the worst crisis in the steel industry in 35 years?

Answered by The Prime Minister: I agree with the hon. Gentleman that it is very important that the Government talk intensively to the leaders of the steel industry, Tata in particular, about what we can do to try to make sure that we safeguard the growth and the jobs that there have been in the steel industry over previous years. We have started those discussions—we have had discussions, for instance, about the steps we are taking for high energy-intensive industries and the help that we can give—but at the heart of a successful steel industry is always going to be a successful economy and a successful construction industry, which is why we should stick to the long-term economic plan.

HC Deb 3 June 2015 Column 588

4. Other Parliamentary Material

Opposition Day Debate: Steel Industry

14 Jan 2015 | 590 cc939-78

<http://www.publications.parliament.uk/pa/cm201415/cmhansrd/cm150114/debtext/150114-0003.htm#15011452000002>

Westminster Hall Debate: UK Steel Industry

HC Deb 03 Dec 2014 | 589 cc173-181WH

<http://www.publications.parliament.uk/pa/cm201415/cmhansrd/cm141203/halltext/141203h0002.htm#14120358000002>

Westminster Hall Debate: Steel Industry

14 Oct 2014 | 586 cc48-57WH

<http://www.publications.parliament.uk/pa/cm201415/cmhansrd/cm141014/halltext/141014h0002.htm#14101476000002>

5. Further Reading

[Manufacturing: Statistics and Policy](#), House of Commons Library briefing paper, 6 August 2015

[Industries in the UK](#), House of Commons Library briefing paper, 12 June 2015

[Industrial Policy, 2010 – 2015](#), House of Commons Library briefing paper, 2 April 2014

[A Unite Strategy For The Future Of The UK Steel Industry](#), Unite, 2014

[UK Steel Industry](#), House of Commons Library briefing paper, 1 May 2003

All-Party Parliamentary Group for the Steel and Metal Related Industry

<http://www.publications.parliament.uk/pa/cm/cmllparty/register/steel-and-metal-related-industry.htm>

Iron & Steel Statistics Bureau

<http://www.issb.co.uk/contact.html>

World Steel Association

<http://www.worldsteel.org/>

Tata Steel

<http://www.tatasteeleurope.com/en/>

Sahaviriya Steel Industries PLC

<http://www.ssi-steel.com/index.php/en/>

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