# WRITTEN STATEMENT

# BY

# THE WELSH GOVERNMENT

|  |  |
| --- | --- |
| **TITLE** | **TATA Steel Announcement** |
| **DATE** | **18 November** |
| **BY** | **Ken Skates, Minister for Economy & Transport** |

Following the announcement a Joint Venture between Tata Steel and ThyssenKrupp would not be going ahead in May this year, Tata Steel announced it was working with restructuring consultants Alvarez and Marsal to develop a new transformation plan.

Today the company has made the first announcement about the outcome of this restructuring work and includes indicative numbers of 3000 job losses across Europe.

This is deeply disappointing news. I am seeking an urgent conversation with the company to establish precisely what this means for the business in Wales, the many thousands of people employed across its sites in Wales and how we can support those affected.

During the implementation of these changes, we remain committed to working with the company and the trade unions to secure a long-term future for steel making in Wales.

We will do everything we can to support workers affected and our ReAct programme stands ready to provide assistance to workers across the Welsh Tata Steel sites, including coordinated support from local partners.

This statement follows the disappointing news on 2 September about Tata Steel’s proposed closure of the Orb Electrical Steels site in Newport. The First Minister and I visited the Orb site on 13 November to meet Community Union, which has worked with consultants Syndex to produce a report outlining an alternative to the closure of Orb. Following this, I raised the importance of allowing sufficient time to consider this proposal and any other offers that come forward that might offer a viable future for the plant with Henrik Adam, the chief executive of Tata Steel Europe.

The steel sector continues to face a huge range of challenges, both globally and domestically, including global overcapacity, rising carbon and raw material prices, slowing sales, increased imports, high energy prices in the UK and a downturn in key supply chain sectors such as automotive.

It is important the UK Government plays its full role in supporting the steel industry, which is a vital strategic sector for the UK as a whole. We continue to raise with the UK Government the adverse impact of high energy prices on the steel sector and press it to urgently progress a sector deal or equivalent for the steel industry.

I wrote to Andrea Leadsom, Secretary of State for Business, Energy and Industrial Strategy last month, asking her to convene a meeting of the UK Government, Welsh Government and the steel industry, along the lines of the UK Steel Council. I was pleased therefore when the Secretary of State agreed to convene a UK Steel Roundtable to take place on 24 October but disappointed and frustrated that the meeting was cancelled at the last minute.

Today’s announcement is further proof that the UK Government must treat the steel industry with the urgency it deserves and reconvene the meeting at the earliest opportunity.