

Rt Hon John Healey MP



HOUSE OF COMMONS

LONDON SW1A 0AA

Nick Hurd MP
Minister of State for Industry
Department for Business, Energy and Industrial Strategy
1 Victoria Street
London
SW1H 0ET

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Dear Nick

Future of UK steel

As you will be aware, on 9 February Tata Steel announced its board had signed an agreement to sell its Specialty Steels operation to Liberty House Group. This is great news and ends a long period of uncertainty for the steel industry in South Yorkshire. I hope it will be a big step in securing steel-making here for the long term.

UK steel-making is a foundation for much of our wider world-class British manufacturing and no modern country can flourish without steel as one of its strategic industries. So there is a strong case for government action on steel, and this is a case I have made to Ministers many times in recent years. It is one that since the National Steel Summit held in Rotherham in November 2015 industry senior executives, trade union leaders and MPs of all parties have been making to Government with an unprecedented unity of views.

But there was little mention of steel in the Prime Minister's industrial strategy. We still need action from Government on energy costs, business rates reductions and skills and R&D funding, and a strong buy-British bias in big government projects.

This would be a clear signal to the world that UK steel has a strong future, whatever the economic uncertainties that Brexit brings.

In steel towns like Rotherham, steel workers and their families were dismayed to read a report in *The Times* (<http://www.thetimes.co.uk/edition/news/leak-reveals-low-priority-industries-for-brexit-talks-q020z5clb>) indicating the government has classified the steel industry as "low" priority in the Brexit negotiations.

Before the EU referendum the head of UK Steel, Gareth Stace, warned that without tariff-free trade into the biggest export market for British firms the "future health and competitiveness" of UK steel-making was under threat.

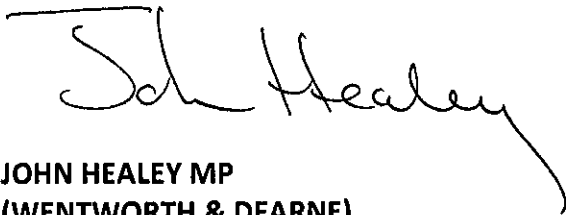
The cross-party Steel 2020 report, published by the APPG on steel of which I am a member, set a blueprint for how the UK Government and the devolved administrations could reshape policy to turn the fortunes of the steel industry around. It said steel is a 'key foundation industry' crucial to a 'renaissance for British manufacturing'. However it is at risk from 'a future of perpetual crisis and decline' if the trading and regulatory environment is not reformed to allow a cutting edge industry to thrive.

One of the key areas it identified was the need for government to develop a clear UK post-Brexit trade strategy to minimise uncertainty. This should include trade defence instruments against Chinese dumping, as well as maintaining full single market access vital to steel and related sectors such as automotive.

With the need for a clear trade strategy and for steel to be secured as an essential foundation industry, it is hard to understand how – whether as part of Brexit discussions or the government's own industrial strategy – steel could be marked "low" priority. Why do Ministers take this view? And what reassurances can you give to areas like South Yorkshire?

I look forward to hearing from you on these points, and I trust to commitments in the Budget next month that the Government will finally bring in the support that Ministers have talked about for our steel industry.

Yours ever



JOHN HEALEY MP
(WENTWORTH & DEARNE)