



Department for
Business, Energy
& Industrial Strategy

Russell George AM, Chair
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Thank you for your letter of 20 October to the Prime Minister in relation to the review that the Economy, Infrastructure and Skills Committee of the National Assembly for Wales recently held on steel industry. I am replying on her behalf, as the Secretary of State with responsibility for the steel sector.

Nick Hurd and I have been fully committed to working with the sector to understand and address the challenges it faces. We have both visited Port Talbot and I recently hosted a meeting with the CEOs of steel companies in the UK, including those based in Wales such as Tata, Liberty and Celsa and we remain in regular contact with the trade unions, as workforce representatives. We have also worked closely with the Welsh First Minister and Ken Skates, as the Cabinet Member for the Economy and Infrastructure.

We were pleased to have the opportunity to set out to your Committee the action that the Government has already taken to support steel producers, including those in Wales. As you know, we have compensated the steel sector for the costs of climate change and renewable energy policy, with £111m paid to steel producers so far. We have also worked with other EU Member States to ensure steel producers are protected from unfair trade practices. There are now 39 trade defence instruments in place; and these measures have proved effective in reducing the level of steel dumped in the EU by 70-90%. In addition, we have taken action to secure a longer transition timetable for compliance with EU emissions regulations and reformed public procurement guidelines to enable public sector bodies to take account of social and economic factors when buying steel. We are also working with the Steel Council to develop a vision for a sustainable and competitive steel sector in the UK, which we aim to complete during the first quarter of 2017.

Whilst progress has been made, we are not complacent and accept that work remains to be done, within the UK and internationally.

I look forward to reading your committee's review once it is published.

THE RT HON GREG CLARK MP
Secretary of State for Business, Energy & Industrial Strategy