

News story: Government and unions welcome 'important step' for UK steel industry

The Business Secretary and the lead representative of the UK's three steel unions today (20 September) welcomed an 'important step' for the country's steel industry after Tata Steel Limited and ThyssenKrupp signed a formal agreement that could secure the future of Port Talbot.

Greg Clark and Roy Rickhuss, the chair of the National Trade Union Steel Coordinating Committee, said the deal between Tata and ThyssenKrupp had the potential to protect the long-term future of steelmaking at Tata's site in South Wales, its 4,000 jobs and the wider supply chain. The site is home to the Indian conglomerate's strip steel business.

The government and unions said they welcomed the move as long as commitments to safeguard jobs and extend blast furnace operations over the long-term at Port Talbot were maintained. This includes the relining of the site's second blast furnace.

The memorandum of understanding signed between Tata and ThyssenKrupp, the German engineering group, marks the latest stage in the development of a joint venture between the companies to build a pan-European steel enterprise. The company will become TK-Tata Steel.

Business Secretary Greg Clark said:

The Government has been working hard with the unions to secure a sustainable future for Tata Steel in the UK, its 4,000 employees at the Port Talbot site and its supply chain.

Today's agreement between Tata Steel and ThyssenKrupp is an important next step in establishing their shared ambition for Port Talbot as a world-class steel manufacturer, with a focus on quality, technology and innovation.

Roy Rickhuss, General Secretary of Community and chair of the coordinating committee representing the Unite, GMB and Community unions, said: > The steel trade unions cautiously welcome this news and recognise the industrial logic of such a partnership. This would create the second biggest steel business in Europe which could deliver significant benefits for the UK.□□

As always, the devil will be in the detail and we are seeking further assurances on jobs, investment and future production across the UK operations. As a priority, we will be pressing Tata to demonstrate their long term commitment to steelmaking in the UK by

confirming they will invest in the relining of Port Talbot's Blast Furnace No.5.

The agreement follows close working between unions, Tata and the Government to ensure sustainable steelmaking maintains a central role in a strong and successful UK economy. It is hoped that the joint venture would also enable TK-Tata, working with UK vehicle manufacturers and their supply chains, to contribute to the focus on innovation in the government's Industrial Strategy.

The joint venture comes after the recent conclusion of Tata's discussions with the British Steel Pension Fund, the Pensions Regulator and the Pensions Protection Fund about a plan to manage its pension liabilities. This enabled a Regulatory Apportionment Arrangement to be reached, giving pension scheme members the opportunity to transfer to a new scheme.