

Edwina Hart AM
Minister for Economy, Science and Transport
Welsh Government

4 March 2016

Dear Edwina

The future of the steel industry in Wales

Thank you for attending the Enterprise and Business Committee to discuss the pressures facing the steel industry in Wales.

The Committee was very pleased to hear in its evidence from representatives of the industry and unions of the level of consistent support and assistance provided by the Welsh Government, in response to what has been described as ‘a perfect storm’ of recent events in the steel industry in Wales and beyond.

- Business rates was identified as a major factor in the wider financial picture that affects the industry. Delay in action on business rates was noted as a key concern by industry representatives. The Committee appreciates the complex issues surrounding this, but encourages the Welsh Government to act as quickly as possible to put in place measures to lower the cost to Wales’ manufacturing sites. The Committee would appreciate a statement of intent on this issue, at the very least, before the Assembly elections in May.
- The quick set-up of the Tata taskforce was praised, along with the skills retention schemes applied in similar situations in the past. In light of this, the Committee would urge the Welsh Government to consider the redevelopment of ProAct, or a similar scheme, to mitigate, as much as possible, the effects of potential job losses.
- In your evidence session, you mentioned research you had commissioned on the quality of Chinese steel. The Committee would appreciate sight of



the results of this research and would be grateful if you could highlight the key selling points of UK steel (other than its superior quality).

- It was highlighted to the Committee that Government action alone cannot be regarded as a silver bullet and that working with other stakeholders is crucial. The Committee was pleased to hear the Welsh Government is receptive to discussions on joint ventures/joint investment prospects and would like to see the Welsh Government working alongside businesses to secure the long term sustainability of the industry. The Committee noted that discussions are on-going with Tata in relation to the proposed power plant at Port Talbot and would appreciate being kept informed on this, as appropriate.
- The Committee was pleased to hear that you are discussing with the UK Government the possibility of the Welsh Government taking forward an application to the European Globalisation Adjustment Fund. The Committee would appreciate being kept informed on this issue.
- The Committee learnt of the losses the industry is making on a daily basis and therefore would appreciate an indication of the timescales in which you anticipate progress will be made.

The Committee fully understands that there are contributing factors beyond the scope of the Welsh Government, but urge you to act with urgency to protect the future of the steel industry in Wales, and that you continue to put pressure on the UK Government as Member State to the European Union to deliver with pace on this issue.

I have also written to the Secretary of State for Wales and the Secretary of State for Business, Innovation and Skills outlining the Committee's concerns and stressing the need for urgent action.

Yours sincerely



William Graham

Chair, Enterprise and Business Committee



Croesewir gohebiaeth yn Gymraeg neu Saesneg.

We welcome correspondence in Welsh or English.