

UNITE STATEMENT

Port Talbot – Tata Steel



JANUARY 2024

Over the past year Unite has been repeatedly warning that the steel industry in Britain is near to collapse. This is not down to external forces but to mismanagement and short termism by government and owners. UK crude steel production is already three times lower than the European average. Domestic steel production in 2021 was twice as much in France, three times as much in Italy and six times as much in Germany. Now we are on course to be the only country in the Organisation for Economic Co-operation and Development (OECD) that can't make its own steel. Meanwhile global demand for steel – and especially low carbon green steel – is going up fast.

This is a shameful situation. It puts jobs and communities at risk and makes us dependent on foreign steel when the UK should be growing a lucrative and essential industry. Imagine what will happen if there is a global shortage of steel because of a future conflict or a trade war. Without UK-made steel, British industry would be crippled and national security would be put at risk.

Unite's own economists, industry researchers, steel industry officers and shop stewards have put together a plan for growth in the UK steel industry, consulting with numerous steel industry experts such as Professor William Gale from the University of Leeds, Dr Philippa Horton from the University of Cambridge, and Dr Dean Stroud from Cardiff University as well as experts from other industries (e.g., energy supply and networks, metals supply and trading), and leading lawyers with expertise in competition law and procurement, notably former OECD lawyer Dr Kamala Dawar. This is a workers' plan for steel.

Port Talbot can have a bright future

Tata Steel have now told us that they will be building a new 3 megatonne electric arc furnace in Port Talbot. This has been known for some time. Indeed, this is the basis of the £500 million funding Tata has received from the government.

But Tata also say they want to close both their existing blast furnaces before the new arc furnace is even built. Unite has shown in the detailed plan for Port Talbot that we can and must keep producing blast



furnace steel while the electric arc is built. The experts agree – this is all possible. This is how we should be transitioning our steel industry. All it requires is the right choices and the right investment.

We have already secured a commitment from UK Labour that when they are in government they will provide the funding that would be needed to do this. With the right policies in place this investment will pay for itself and establish the UK as a leading steel producer in a growing market. The green steel capital of Europe. The growth politicians keep talking about.

Most people accept that we are only a matter of months from a Labour government. So, surely the workers and residents of Port Talbot deserve the reassurance that no rash decisions will be made when a solution is there. The plan is there to save jobs and grow.

The cost of this stage of the plan for Port Talbot is £1.5 billion. The Government is putting in £500 million. The company are investing £750 million. So, we are looking at an extra £250 million. Labour's pledge on UK steel more than covers that.

We are ready to fight!

Unite has over one and a half thousand members at Port Talbot. We are the biggest private sector union in Britain and we are ready to use everything in our armoury including industrial action - backed by our £30 million strike fund - and political leverage to fight for this outcome for Port Talbot. We will fight with all we have, because if we are not successful the UK steel industry will be broken, livelihoods will be lost and communities will be damaged for decades to come. What is more, the whole of the UK will be left diminished and more vulnerable.



We need to keep capacity at Port Talbot for the long-term future of the plant and the people that work there. We need to do things differently from before. For too long the wrong choices were made and thousands of steel jobs have been lost over many years. We cannot allow that to happen again. Let this fight be a fight for growing jobs! The market is there. Let's seize the opportunity. Let us fight for the plan that makes the UK the green steel capital of Europe!



Don't let Tata plead poverty!

We keep hearing rumours about Port Talbot 'bleeding' £1-1.5 million per day but this just won't wash. Be in no doubt that the money is there. Tata Steel Limited has reserves of £1.6 billion and has paid out dividends of £1.4 billion to shareholders between 2019 and 2023.

After years of profits it is true that Tata Steel UK reported a much lower loss (of £440,000 a day) in 2022/23. This was due to high energy prices and lower production levels. But any losses are expected to be substantially down in the current year, as energy prices have fallen and the company itself has said that market conditions will improve. Tata also claim to have invested almost £5 billion in Port Talbot since 2007, but Unite's forensic accountants have shown that the true figure is less than £1 billion. And once Tata Steel has a brand-new taxpayer subsidised electric arc furnace the value of Port Talbot will rocket while we know that demand for steel is going up.



For a company already making steel in other countries such as India and the Netherlands the calculations are different. Tata may look to import steel from its other plants as opposed to producing it in Britain. That's why taxpayer funded investments should come with job guarantees. Workers yet again are being asked to pay the price while the bosses line their pockets. The question is are they going to be allowed to get away with it?

"Wake up and smell the coffee"

Unite General Secretary,
Sharon Graham said:

"This is the time for Rishi Sunak to stand up and be counted. Stop dithering and delaying and back UK Steel and UK workers. With the right investment, linked to job guarantees, the UK can become the green capital of steel – creating more jobs not losing them. When are politicians going to wake up and smell the coffee and stop the decline of 'UK PLC'? Unite will be preparing to protect these workers by all and every means".



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