

Time and financial support are required for the development of new, more efficient, lower CO₂ technologies through to the large-scale demonstration phase.

- The steel industry's ability to reduce carbon usage (and hence CO₂ emissions) without breakthrough technology is very limited (no better than 1–2% per annum and at ever-increasing cost).
- Breakthrough technology could achieve between 50% and 80% reduction by 2050, but will rely on new iron-making techniques with CO₂ capture & storage as an intrinsic element of the process.
- Depending on the progress of current R&D (JLCO₂ –Ultra Low CO₂ Steelmaking and associated projects), new iron-making technologies should become available for commercial deployment after 2025–2030.

Any future UK government should support an industrial scale CCS demonstration plant for steelmakers.

- The Government currently offers incentives for CCS projects for the power generation sector. Incentives should also be offered for CCS at steelmaking plants, to give the UK the opportunity to play a leading role in developing a technology with immense world-wide potential.

Energy

We need a level playing field regionally, ensuring the same treatment on energy prices and taxes within Europe.

- UK prices are generally higher than elsewhere in Europe despite our “liberalised” market.
- The UK competitive disadvantage is increased by tax rebates/exemptions for energy intensive users, regulated tariffs and support for long-term supply contracts in other European economies.
- UK energy prices are made even higher through a variety of environmental schemes, such as the Renewables Obligation and Climate Change Levy (CCL) which all have a huge cost and competitive impact.

- The next UK Government should reverse the latest plans to cut the CCL discount %, which could, in some cases, double the cost of the Levy to energy intensive industries.

- The incoming Government should drop proposals for further levies on energy costs, such as the CCS Levy and the Renewable Heat Incentive which further threaten the competitiveness of UK steelmakers.
- Affordable energy is particularly important in order to ensure the continued recycling of steel scrap in the UK's electric arc furnace steelworks.

Secure energy supplies and infrastructure to avoid an electricity crunch through strategic gas storage and rapid new build of baseload electricity generation are essential.

- We need a balanced energy mix in the UK to make sure of long term energy security. This means renewables, nuclear and fossil fuels. The steel sector has an essential role in providing the infrastructure needed.
- The UK should become a global leader in marine, wind and micro-generation technologies. New energy management technologies could also create mass markets for improving domestic and industrial energy efficiency.

European Engagement

The majority of legislation and regulation that covers steel making in the UK is made by the EU. We believe it is essential therefore, that UK has a central role in Europe.

The UK Government should be a proactive member of the European Council and represent the views of the UK steel and manufacturing industries to the best of its ability.

- Consult industry before Council meetings that have a direct impact on the steel and manufacturing industries in the UK.
- Campaign for key Commission jobs for the UK focused on promotion of steel and metals-based manufacturing.

UK GENERAL ELECTION 2010

MANIFESTO OF THE UK STEEL INDUSTRY

Everything you'll use today is made either of steel or using steel. Thankfully steel is not only 100% recyclable, it can be recycled time and again with no loss of quality.

UK steel industry profile

- 23,000 direct employees
- Contribution to GDP: £7 billion
- Makes a positive contribution to the UK trade balance of trade of £3 billion a year
- The UK steel industry is concentrated in South Wales, West Midlands, Yorkshire & Humberside, Teesside and Kent. But with distribution and downstream processing facilities throughout the country, the industry provides employment in every region
- The largest consuming sectors for steel are construction and automotive. Steel is also used in a vast range of other applications such as energy, aerospace, consumer durables, furniture, packaging and defence & security
- Approximately half of UK steel production is exported
- The UK steel industry invests £50m annually in R&D



UK
Steel

WE  MANUFACTURING

A message to Prospective Parliamentary Candidates

The candidates who are successful in forming the next British Parliament in 2010 will be in a privileged position. They will shape the future of the UK, as the economy emerges from arguably the most severe recession in modern history. This is a crucial time to look at the future shape of the UK economy, and start making positive steps towards that goal.

We want you to recognise and promote the essential role of the steel industry and metals-based manufacturing in the UK, not at the expense of other sectors, but with them, to create a stronger and more balanced economy.

The UK steel industry is the backbone of UK manufacturing. As an essential part of the industrial supply chain we want to maximise opportunities in the UK by working with government, local stakeholders, the financial sector and downstream manufacturers to identify and execute new and emerging market opportunities which could ensure, and shape, the UK's competitiveness for a generation.

Our operations, through the direct and indirect employment we provide, and the goods and services we buy, create prosperity in the communities where we operate and for the UK as a whole.

We are ambitious and forward thinking, and have invested heavily in environmentally sound and energy efficient production. Steel provides the foundation for innovation, durability and energy savings in applications as varied as automotive, construction, medical devices, white goods and wind turbines.

Without steel, there will be no green economy.

To maintain the UK's position as the sixth largest manufacturer in the world and thus preserve the steel sector's market and production in the UK, it is essential that politicians from all parties set out to create an investment friendly business environment and support policies that will help underpin the future success of the UK's steel makers and metals-based manufacturers.

We do not seek special treatment. Nor do we shirk our responsibilities to society and the environment. But we do ask that we are not shackled with unnecessary or over-costly regulation, and that we are allowed to compete fairly with our overseas rivals.

We hope that by reading this short manifesto it will lay the foundations for future engagement with you.

Investing in the UK

We want to see support and promotion of UK steel and manufacturing sectors maintained at home and abroad. It can't just be a knee-jerk reaction to the financial crisis.

In part this can be achieved through considered market development in:

- the renewal programme for UK energy transmission and distribution infrastructure
- increased reliable renewable electricity (such as tidal and offshore wind)
- new nuclear generation
- the establishment of carbon capturing infrastructure
- new/renewed urban transport systems (light rail/trams etc)
- new/renewed transport infrastructure (road, rail, bridges)
- encourage investment in world-class automotive component manufacturing.

Ensure there is a voice for business and manufacturing at the heart of government.

Trade

Any future UK Government needs to press its major trading partners to live up to their G20 commitments to maintain open and fair markets.

- Outside of Europe, barriers to trade still persist with high levels of import tariffs and administrative 'red-tape' restricting competition.
- To enable all steel producers to compete on a level basis, barriers to trade need to come down everywhere.
- At the same time, EU trade policy should be capable of reacting more quickly to threats to competition from unfairly traded imports.

Skills

There is a shortage in technical and engineering skills in the UK that the future government should urgently address.

- Major investment and development is needed in skills in order for the UK to continue to innovate and move toward a hi-tech, hi-value economy.
- Funding levels should be raised and delivery mechanisms streamlined. Skills funding must be seen as an investment in Britain's future and not subjected to spending cuts.
- More needs to be done through the education system to promote engineering/manufacturing as an attractive career option.
- In particular, there is a need to focus on the new skills needed to develop and maintain the low carbon economy.

Climate Change

We need a level playing field globally, which means not imposing unilateral UK/EU costs based on CO₂ emissions until the vast majority of comparable production is subject to similar costs.

- European steelmakers have reduced CO₂ emissions by more than 50% since the 1970s and by more than 20% between the Kyoto reference year, 1990, and 2005.
- Without a level playing field in climate change policy, non-EU steelmaking competitors will enjoy an unfair competitive advantage that will distort the global market for steel, thereby restricting future investment potential in UK steel making assets, inevitably leading to carbon leakage.
- Non-EU steel producers must commit themselves to equal, verifiable and enforceable CO₂ reduction targets within the framework of an international agreement on climate change covering at least 85% of world steel production.