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Commenting on the publication of the BEIS Select Committee's report on Sector Deals, UK Steel Director General, Gareth Stace, said:

"The publication of this report is an important and timely intervention on the subject of Sector Deals, with its findings chiming with our own experience of trying to negotiate a deal for steel.

"As this report sets out, the steel sector has put forward a comprehensive sector deal proposal committing to increases in jobs, capital investment and production capacity. To unlock this, and place the sector on a sustainable footing, the sector simply requires a level playing field with our EU counterparts on electricity prices and business rates.

"These two major competitive disadvantages continue to increase our production costs and act as a serious barrier to investment. The situation with electricity prices in particular continues to worsen with UK prices now double those in France and 50% more than in Germany. As the report concludes, the failure to agree a Steel Sector Deal to date primarily lies with the Government's unwillingness to meet this request and provide the right conditions for investment.

"Importantly, the report challenges BEIS to broaden its focus beyond the South-East and an overly narrow view of 'high-tech' sectors. We strongly agree with this sentiment, and call on Government to fully recognise the importance of foundation sectors, highly innovative in their right, not only to the success of other manufacturing sectors, but to UK construction, infrastructure and the wider economy.

"Crucially, the Committee urges the Government to return to discussions and meet its commitment to develop and support the steel sector in the UK. We are under no doubt that any meaningful industrial strategy must have steel at its foundation – and we stand ready to play our part in this. "

ENDS.

Notes:

About UK Steel: UK Steel, a division of EEF, is the trade association for the UK steel industry. It represents all the country's steelmakers and a large number of downstream steel processors.

A summary of the Steel Sector Deal Proposal can be found here:

<https://www.parliament.uk/documents/commons-committees/business-energy-and-industrial-strategy/Correspondence/A-Steel-Sector-Deal-Executive-Summary-17-19.pdf>

A copy of UK Steel's report into electricity prices can be found here:

<https://www.makeuk.org/Insights/Publications/2018/12/04/The-Energy-Price-Scandal>