



European Commission plans to save steel industry

GMB, the union for workers in the steel industry, has welcomed a European Commission action plan to preserve jobs in the sector - as South Yorkshire continues to suffer.

The commission has proposed measures to strengthen the EU's defence against 'unfair trade practices' and take action to guarantee the competitiveness of energy-intensive industries.

It says the sector's 'serious challenges' are 'fuelled by global overcapacity, a dramatic increase of exports and an unprecedented wave of unfair trading'.

Recently, Outokumpu in Sheffield has announced plans to cut 50 jobs and close its pension scheme as it battles to prevent UK operations which employ 550 people all based in the city from being shut down altogether.



Tata steel has shed 550 jobs in South Yorkshire since August. Commission vice-president Jyrki Katainen said, "It had imposed a 'record' 37 anti-dumping and anti-subsidy measures, including 16 on steel imports from China. But he urged member states including the UK to act together.

He added "We will take steps to further streamline our procedures but member states must also act together and urgently adopt our

legislative proposal to modernise EU trade defence instruments and make fairer trade a reality."

The removal of the so-called 'lesser duty' rule in certain circumstances would allow higher anti-dumping duties, he added. The commission also aimed to tackle global overcapacity with the EU's main partners including China, Japan, India, Russia, Turkey and the United States. He also urged industry to make full use of European funding to modernise, including the €315 billion European Fund for Strategic Investments and EU structural and investment funds.

Meanwhile, revised state aid rules provided ample opportunities for member states to support cross-border technology, research and innovation and renewable energy schemes. Mr. Katainen added "The steel industry in Europe is world-leading in certain product segments, represents 1.3 per cent of EU GDP and provided around 328,000 jobs in 2015.

"It is also an important source of indirect employment, since it plays a significant role for many other industrial sectors such as the automotive industry. "Despite the potential of the European steel sector and the significant efforts made to innovate and modernise, its competitive position on the global steel market has deteriorated in recent years.

"Excess production of steel in third countries such as China has increased exports, depressed prices and given rise to an unprecedented wave of unfair trading practices, distorting the global level playing field. "The current challenges for the steel industry are serious, but they can be overcome if all players work together in a spirit of sincere co-operation. "The Commission will continue to monitor the situation closely and stands ready to put forward additional measures, as necessary. There is no time to lose to preserve sustainable jobs and growth in Europe."

Scottish Govt. deal to revive steel mills



A source close to the talks said they were happening at "breakneck speed" in an attempt to seal a deal, when the Scottish government shuts down before elections in early May. "There's quite a focus on getting something agreed before the deadline," the source said.

Sticking points are understood to include what guarantees the Scottish government can offer Liberty House without breaching EU rules on how much aid governments can offer businesses.

Liberty House and Tata are also negotiating over how much of the steel mills' environmental liabilities would be taken on in any transaction.

The source said Tata wanted to make a "clean break" with the mills by handing over responsibility for environmental costs to Liberty House immediately.

Discussions are complicated by the fact that Tata Steel is in separate talks with potential buyers for its entire long products business, which at present includes the two mills.

Steelmakers and the Scottish government are rushing to strike a deal to save two Lanarkshire steel mills, amid last-minute negotiations on environmental costs and European Union rules on state aid.

However, fears are growing for Port Talbot steelworks in south Wales, with reports indicating its owner, Tata Steel Europe, could abandon a turnaround plan.

Liberty House, owned by the businessman Sanjeev Gupta, is in talks with Tata Steel over a deal to buy the mothballed Dalzell and Clydebridge plants in Lanarkshire, which were shuttered last year as Tata slashed 1,200 jobs nationwide.