# WRITTEN STATEMENT

# BY

# THE WELSH GOVERNMENT

|  |  |
| --- | --- |
| **TITLE**  | **Tata Steel** |
| **DATE**  | **15 September 2023** |
| **BY** | **Vaughan Gething MS, Minister for Economy** |

**The Welsh Government has worked closely with Tata and its workforce for many years to safeguard the long-term future of steel production in Wales and we have urged the UK Government to provide the investment needed to support the move to greener methods of steel production.**

Today, Tata Steel and the UK Government have announced a joint agreement on a proposal to invest in state-of-the-art electric arc furnace steelmaking at the Port Talbot site, with a capital investment of £1.25bn including a grant from the UK Government of up to £500m. The transformation will include a restructure of the existing Tata Steel UK business followed by an investment in the electric arc technology, which will reduce the Port Talbot site’s direct emissions by 50m tonnes over a decade.

However, much remains unknown about the agreement and the potential impact not only on the workforce and the company but on the wider supply chain and the local economy.

**Therefore, while today’s announcement contains significant investment for the longer term, it is inevitable that Tata employees, and their families, are rightly focused on the impact it will have on the thousands of jobs in Port Talbot and Tata’s downstream facilities in Wales.**

**Today has been a difficult day for all those impacted by this announcement, and it comes with great uncertainty for the whole community.**

**It has been particularly disappointing that neither the unions nor Welsh Government were party to the discussions that led to this announcement.**

**It is essential Tata now conducts a meaningful consultation with its employees and the trade unions about these proposals. As Tata Steel has stated, the agreement is** subject to relevant regulatory approvals, information and consultation processes, and the finalisation of detailed terms and conditions.

There is much that needs to be worked through and all parties will **now need to consider the announcement and proposed timeline in detail.**

The decision Tata Steel, in particular, takes about the nature and timeframe of its decarbonisation journey will have a profound impact on its full supply chain and wider region.

For this reason, I have always seen the future of Tata not in isolation, but as sitting within a much broader effort to support industry and develop our manufacturing base across Wales in the vital transition to net zero.

**The Welsh Government** places huge importance and emphasis on a just transition in our move to a net zero economy. The economy will change, but if this is planned well, we can take advantage of new opportunities and minimise compulsory job losses.

**I met representatives from Community, GMB and Unite unions today to discuss this announcement and I will meet Tata again next week. The Welsh Government will continue to work closely with the trade unions and the company to do everything we can to minimise job losses.**

**I will make a further statement to Members in the Senedd next week.**