

Welsh steel industry backed with new trade measure and strategy

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UK steel producers and thousands of steel workers in Wales will benefit from a landmark Steel Strategy.

- Landmark new Steel Strategy shows that UK Government is standing up for Welsh steelmaking and will do whatever it takes to boost domestic steel production and protect the thousands of steelmaking jobs in Welsh communities.
- UK Government will introduce tough new trade measures to protect and promote domestic steelmaking and reduce our reliance on overseas suppliers with Welsh producers like Tata Steel and 7Steel to benefit.
- New target for 50% of steel used in Britain to be made in Britain, boosting production from 30% and Welsh steel expected to account for half of future UK steelmaking.
- UK Government allocating an additional £5.8bn to the National Wealth Fund to invest in its priority sectors, including Welsh steel which builds on the over £600m invested in Port Talbot by this government, protecting 5,000 skilled jobs.

UK steel producers and thousands of steel workers in Wales will benefit from a new landmark Steel Strategy as the UK Government takes bold action to protect domestic steelmaking and the wider supply chain for critical national infrastructure and defence.

On a visit to Tata Steel Port Talbot to meet steelworkers and launch the Strategy, the Business and Trade Secretary Peter Kyle announced the Government's ambition to boost domestic production so that it can meet up to 50% of our domestic demand for steel, and secure the industry's role in supporting vital UK sectors like infrastructure, defence and clean energy.

Building on the direct financial support the government has made so far, the National Wealth Fund will be the government's main mechanism for providing up to £2.5 billion of financing for investment in the steel sector this Parliament. The Steel Strategy forms a vital part of the Government's activist and strategic approach to British industry, taking decisive action to give businesses the certainty and support they need in uncertain times and bolstering the UK's resilience.

Today, the UK also announces that from 1 July 2026, overall quota levels for steel imports will be significantly reduced by 60% compared to current arrangements, and steel coming into the UK above these levels will be subject to a 50% tariff.

The robust new measure is a vital step to protect Welsh steel production in the face of global steel overcapacity. It will apply to imported steel products that can be made in Britain. Welsh steelmaking is expected to account for half of future UK steelmaking, via producers including Tata Steel in Port Talbot, Shotton, Llanelli and Newport and 7Steel in Cardiff.

The Government will also introduce a target to boost domestic production so that it can meet 50% of our domestic demand for steel and secure the industry's role in supporting vital UK sectors like infrastructure, defence and clean energy.

The UK Government will allocate an additional £5.8bn to the National Wealth Fund to invest in steel

and related, priority sectors.

Welsh Secretary Jo Stevens is to convene new initiative with the NWF and the private sector to unlock new investments into Welsh steel and related Welsh industries. This builds on the over £600m already allocated to Port Talbot by this Government.

This vital intervention by UK Government comes alongside critical support for Welsh steel producers' energy costs through the British Industrial Competitive Scheme and the British Industry Supercharger. The £122m funding from UK Government and Tata through the Port Talbot Transition Board has helped thousands of workers and hundreds of businesses with the transition to EAF-steelmaking.

Business and Trade Secretary Peter Kyle said:

Making steel in the UK is vital for national security, critical infrastructure and the wider economy. Steel-making is a cornerstone of our modern industrial policy that deliberately focuses support for key industries, technologies, and strategically important sectors.

With this strategy we are closing the decades-long chapter of destructive de-industrialisation and committing instead to strengthening and sustaining Britain as a steel-making nation."

Secretary of State for Wales Jo Stevens said:

The UK Government is standing up for Welsh steelmaking and showing that we will do whatever it takes to boost domestic steel production and protect the thousands of steelmaking jobs in our communities.

Welsh steel is expected to account for half of future UK steelmaking. It is not only a vital part of the South Wales economy, but also a crucial part of the UK's industrial strategy, infrastructure capabilities and national security.

We said we would back our steelworkers and steel communities and we are delivering on that promise - Welsh steelmaking now has a secure and bright future.

The new Steel Strategy also commits to:

- Confirm electric arc furnaces (EAF), like that being built in Port Talbot, as the future of British steelmaking, continuing the shift from blast furnaces to cleaner, EAF-based production using recycled scrap to support net zero.
- Enable offshore wind developers to include steel manufacturers in the next round of Clean Industry Bonus applications (launching this year) to maximise UK steel use in renewables.
- Launch a cross-government working group to secure a sustainable supply of scrap metal for UK steelmakers.

- Task the Steel Council with action on workforce needs and practical research and innovation to boost productivity and competitiveness.

Alongside the new trade measure being announced today, the Government will also be raising the UK's maximum Most Favoured Nation (MFN) steel tariffs at the WTO to 50% to protect domestic industry in the long run from the impacts of global overcapacity.

This approach reflects feedback from government's recent Call for Evidence, aligns with the UK's Industrial Strategy and Trade Strategy, and follows months of engagement with UK steel producers and downstream industries.

In tandem, the Government will explore the possibility of introducing requirements to identify where steel imports are melted and poured, in order to better understand our supply chains and ensure the UK steel industry is better protected from global overcapacity.

The new measure is not about stopping steel trade: steel imports are necessary for industry and will continue. Quota allocations have been carefully designed through engagement with industry to help maintain security of supply and minimise impacts on the wider economy, such as for automotive manufacturing and construction.

The UK remains committed to working with international partners to tackle global steel challenges, including through the Global Forum on Steel Excess Capacity and efforts to advance WTO reform.

Further good news for the UK's steel sector will be unveiled later today during the Nigerian State Visit, with a record-breaking new deal backed by UK Export Finance worth £70 million, for British Steel to supply the redevelopment of two of Nigeria's trading ports.

<https://www.gov.uk/government/news/welsh-steel-industry-backed-with-new-trade-measure-and-strategy>