

British Steel sale to Jingye Group completes

- Sale of British Steel completes, safeguarding more than 3,200 jobs and marking start of new chapter for UK steel industry
- leading Chinese Steelmaker Jingye Group will acquire British Steel and its steelworks at Scunthorpe, Skinningrove and on Teesside, as well as subsidiary businesses TSP Engineering and FN Steel
- Jingye will invest £1.2 billion in sustainable modern technologies and new product lines for UK and global markets

3,200 high-skilled jobs in Scunthorpe, Skinningrove and on Teesside have been safeguarded by the completion of a deal to sell British Steel to leading Chinese steelmaker Jingye Group, the government has welcomed today.

The sale follows extensive discussions between the government, the Official Receiver, Special Managers, unions, suppliers and employees. It marks a critical step in securing a long-term, sustainable future for steelmaking in Yorkshire and the Humber and the North East.

As part of the deal, Jingye Group has pledged to invest £1.2 billion over 10 years to modernise British Steel sites and boost energy efficiency.

Prime Minister Boris Johnson said:

The sounds of these steelworks have long echoed throughout Yorkshire and Humber and the North East. Today, as British Steel takes its next steps under Jingye's leadership, we can be sure these will ring out for decades to come.

I'd like to thank every British Steel employee in Scunthorpe, Skinningrove and on Teesside for their dedication and resilience which has kept the business thriving over the past year. Jingye's pledge to invest £1.2 billion into the business is a welcome boost that will not just secure thousands of jobs, but ensure British Steel continues to prosper.

Business Secretary Alok Sharma visited British Steel's Scunthorpe site today to meet the CEO of Jingye Group, Mr Li Huiming, CEO of British Steel, Ron Deelen, the Chinese ambassador to the UK, Mr Liu Xiaoming and employees, union representatives, local MPs and stakeholders.

Business Secretary Alok Sharma said:

The sale of British Steel represents an important vote of confidence in the UK's steel industry. It also marks the start of a new era for those regions that have built their livelihoods around

industrial steel production.

I would like to pay tribute to everyone who has been involved in getting this deal over the line, in particular to British Steel's workforce for whom I recognise the uncertainty will have been challenging.

I also want to reassure British Steel employees who may be facing redundancy that we are mobilising all available resources to give immediate on the ground support and advice to those affected.

British Steel has been used to build everything from sports stadiums to bridges, ocean liners and the Jodrell Bank space observatory.

The company entered into an insolvency process in May 2019 and following thorough negotiations, the Official Receiver and Special Managers from Ernst & Young (EY) have confirmed the complete sale of British Steel to Jingye Group – including the steelworks at Scunthorpe, mills at Skinningrove and on Teesside – as well as subsidiary businesses TSP Engineering and FN Steel.

Roy Rickhuss, General Secretary of the steelworkers' trade union Community, said:

Today marks the start of a new chapter for British Steel. It has been a long and difficult journey to get to this point. In particular, this acquisition is a testament to all the efforts of the world class workforce, who even through the uncertainty, have broken production records. Today would also not have been possible without the government recognising the importance of steel as a key foundation industry. The decision to support the business through to new ownership is an example of positive industrial strategy at work. The government can build on this with more action to create the right environment for all our steel producers to thrive.

We look forward to working with Jingye as they bring forward their investment plans, which have the potential to transform the business and secure a sustainable future. Jingye are not just taking over a business, they are taking on thousands of workers and giving new hope to steel communities in Scunthorpe and Teesside. We know there is a lot more work to do, most importantly supporting those who have not secured employment with the new business.

For the 449 employees facing redundancy as part of the sale, the government's Rapid Response Service and National Careers Service has been mobilised to give on the ground support and advice. This service will help those affected transition into other employment or take on new training opportunities.

The government continues to provide support to the steel industry – including more than £300 million relief for electricity costs, public procurement guidelines and details of a steel pipeline on national infrastructure

projects worth around £500 million over the next decade.