

Steel making

The new government says it supports the same policy as the old government for the steel industry.

The main imperative is to cut U.K. CO₂ output. That means shutting down U.K. blast furnaces to make new steel because they need fossil fuel to heat and smelt. We then import the new steel we need. This adds to world CO₂ because of the diesel ships to get it here and maybe from higher CO₂ in the manufacture. This surely is madness.

As a consolation prize the aim is to get recycling plant put in instead. This can be fired by electricity. On a good day 50% of that could come from renewables. On a bad day it would be burning gas and wood that generated the power. Recycled steel can be used as a replacement for some uses. The electric arc furnaces needed require considerably less Labour than blast furnaces so a lot of people lose their jobs with large redundancy costs. It may lead to a bigger benefits bill if there is insufficient alternative work.

It is also bad news for taxpayers as the companies considering putting in a recycling plant will only do so if they receive large taxpayer subsidies. Labour are dangling £2.5 bn of taxpayer cash for electric arcs and blast furnace closures. The industry will probably demand more. The new Minister is sitting down with Port Talbot Unions to see what more can be done for all those facing the sack as the blast furnace closes. I do not expect any change of overall policy.

Why does this government like the last want to stop us making steel? Why do they think it fine to import it with no world CO₂ gain? Why don't they see we need to make more here? Why don't they see you need to be able to make your own steel for national security?