

## **Likely impact on particular geographic areas or particular groups**

### **1. Steel sector overview - trade**

The figures given below are UK or Scotland level figures where indicated. It should be noted that the codes used for this data covers both iron and steel as it cannot be disaggregated further. These are the latest figures available..

#### **Volume (UK)**

- In 2019, the UK produced 7.2 million tonnes of crude steel (down 1.4% on 2018).
- In 2019, the UK exported 4.2 million tonnes of steel products. In the same year it imported 7.3 million tonnes of steel products.

#### **Value (UK)**

- In 2019, the UK's iron and steel exports were worth £4.3 billion, down £380 million or 8.2% on the 2018 figure.
- In 2019, iron and steel imports were worth £6.3 billion, down 581 million or 8.4% on the 2018 figure.
- The UK's steel trade deficit was worth £2.1 billion in 2019, making the UK a net importer of steel.

#### **Value (Scotland)**

- In 2019, Scottish iron and steel exports were worth £316 million, up £3 million or 0.8% on the 2018 figure (£313 million).
  - Iron and Steel imports were worth £504 million, up £133 million or 36% on the 2018 figure (£371 million).
  - Scotland's trade deficit in iron and steel was worth £191 million in 2019, making Scotland a net importer of steel.

#### **Origin and destination of traded UK steel**

- In 2019, two thirds of UK steel exports were to the EU, whilst almost two thirds of steel imports were from the EU:
  - 66% of UK steel exports were to the EU (down from 69% in 2018)
  - 68% of UK steel imports were from the EU (up from 67% in 2018).

#### **Origin and destination of traded Scottish iron and steel**

- In 2019, around 15% of Scottish iron and steel exports were to the EU, whilst around three quarters of iron and steel imports were from the EU:
- 15% of Scotland's iron and steel exports were to the EU (down from 26% in 2017).
- 72% of Scotland's iron and steel imports were from the EU (up from 52% in 2018).

### **2. Scottish steel industry structure**

- Jingye Group, a privately owned Chinese group agreed to buy British Steel from the UK's Insolvency Service in November 2019. British Steel supply around 60% of the slab used at Liberty Dalzell. Liberty has confirmed that they are holding stock and have alternative sources secured to meet the majority of their requirements in the event of supply disruption.
- In April 2016, Liberty House Group purchased both Dalzell & Clydebridge steel plants from TATA Steel.

Steel companies operating in Scotland include:

- Liberty Steel, Dalzell & Clydebridge, 145 empl
- The Blake Group, Edinburgh,
- Edgen Murray, Bellshill & Newbridge,
- Celsa Steel, Motherwell, 86 empl
- Midland Steel, Motherwell,
- Alexander (Scotland) Ltd (steel stockholders), Stirling
- Vallourec Oil & Gas, Bellshill

### **3. Geographic impact: Value of Steel Processing to Motherwell Area**

- LSD and Vallourec's manufacturing plants are very close to each other, both in the Motherwell area. In combination LSD and Vallourec directly employ around 375 people with an average wage of £35,196 (average wage for Scotland is £29,988). Assuming 70% of wage is taken home, direct employees could be worth as much as £9.24m to local employee's families. It can be assumed that LSD and Vallourec support a further 1125 people within their supply chains indirectly using a conservative estimate of one direct employee to three indirect employees. (Source: Scottish Steel Sector Analysis, 2020)
- "Manufacture of basic metals" was the 8<sup>th</sup> most significant employer in Motherwell South (Source: Business Register and Employment Survey 2019<sup>1</sup>).
- Motherwell South is within the most deprived decile of Scottish data zones, in terms of income, employment, health and education (Scottish Index of Multiple Deprivation<sup>2</sup>)

### **4. Equalities impact: demographic profile of Scotland's manufacturing sector**

- Manufacturing makes up around 8% of all employment in Scotland.
- Employment tends to be male dominated (78.5% of all employment).
- Lower than average non-white employment (2.0%).
- Distinction with the other high impact industries are that manufacturing tends to have much lower levels of self-employment (7.0%).
- A relatively high proportion of EU nationals are employed (8.0% of industry employment).

Please see attached further materials on the impact of steel and wider manufacturing sector in Scotland, in particular, the Scottish Steel Sector Analysis report.

Sarah Payne  
Scottish Government  
March 2021

---

<sup>1</sup> BRES, available at

<https://www.nomisweb.co.uk/query/select/getdatasetbytheme.asp?opt=3&theme=&subgrp=>

<sup>2</sup> <https://simd.scot/#/simd2020/BTTFTT/9/-4.0000/55.9000/>