



one product having a notable impact on others. The production economics of the steel making process means that economies of scale are key. Companies produce multiple products and rely on multiple product lines running at certain rates to ensure high-capacity utilisation of the crude steel production facilities. An integrated steel plant will typically need to run at around a 70-75% capacity utilisation rate before it will break even and begin to operate profitably.

As an example, removing the measures on steel sections is likely to lead to an increase in imports of that product. This reduces sales of the domestic producer of sections which in turn reduces the volumes of crude steel required from the blast furnaces, increasing the cost of each bloom/billet the company makes. This ultimately makes the furnace operation unprofitable, which feeds through into the other product lines such as wire rod, merchant bar or rail. It should therefore be clear that TRID's analysis must be done at broader level to best capture the true realities of steel production and supply. Assessed on this basis, it is clear that an increase in imports is seen across the board and therefore the grounds for an extension on all products exists.

Regarding the consideration of whether maintaining UK safeguards would be in the wider economic and public interests of the UK, I would like to highlight the following:

- In my constituency Rotherham, the steel sector employs more than 900 people, and is estimated to additionally support 4.8 times this number in its supply chains.
- Looking at the national picture, the UK steel industry employs 32,600 people directly across the UK and supports a further 41,100 jobs in high-value supply chains; jobs that would be at risk if the measures were removed.
- The average steel sector salary is £36,000, 18% higher than the UK national average and 36% higher than the regional average in Wales, and Yorkshire & Humberside where its jobs are concentrated – regions of the country the Government is seeking to level-up.
- The UK Steel Industry makes a £2.8 billion direct contribution to UK GDP and supports a further £3.6 billion in its supply chains.
- The steel sector is a vital foundation sector sitting at the base of a myriad of manufacturing construction and infrastructure supply chains – damage to this sector has major knock on impacts for those supply chains.
- It is increasingly evident we need a strong and sustainable steel industry to meet our net zero carbon target. A weakening of