# UK government steps in to secure materials for British Steel amid crisis



Officials in the UK are working diligently to secure the essential raw materials necessary for the operation of British Steel's blast furnaces at its Scunthorpe plant. The government took urgent action, passing emergency legislation through Parliament on Saturday that grants it control over the Lincolnshire site in order to prevent its Chinese owner, Jingye, from shutting it down.

According to a statement from the government, the operation to procure coking coal and iron ore, which are crucial for powering the plant's two blast furnaces, began on Monday. The government indicated that Jingye has been offloading these vital materials without replenishing stocks.

British Steel's Scunthorpe facility is a significant site within the UK, employing around 2,700 people and remaining the only location capable of producing virgin steel in the country. Business Secretary Jonathan Reynolds highlighted the importance of maintaining operations, stating: "My team are already hard at work on the ground to keep jobs going and furnaces burning." He reaffirmed his commitment to bolstering UK steelmaking, adding, "When I said steelmaking has a future in the UK, I meant it.”

The urgency of the situation is underscored by the potential for severe damage to the blast furnaces if their temperature falls too low, making it critical to deliver materials swiftly. Restarting a furnace after a shutdown is noted to be a costly and complex endeavor.

Several companies, including steel producers Tata and Rainham Steel, have offered support in supplying raw materials to keep the furnaces operational. Reynolds, when interviewed on the BBC's "Sunday with Laura Kuenssberg," refrained from confirming the timeline for procuring the necessary materials, but noted that the legislation provided the government with an opportunity to act.

The government fast-tracked this legislative measure after negotiations with Jingye faltered. Jingye has reported facing losses of £700,000 per day at the Scunthorpe site and referred to it as "no longer financially sustainable,” prompting a consultation on potential closure. Reynolds indicated that it became apparent during discussions that Jingye was determined to close the blast furnaces regardless of the financial support provided. The government had offered approximately £500 million, but Jingye sought more than double this amount without sufficient guarantees for the plant's future.

Amid the crisis, criticisms have surfaced regarding the government’s delay in intervening to save the plant. Andrew Griffith, the Tory shadow business secretary, acknowledged the Conservative Party's support for the emergency legislation, labelling it as "the least worst option on the table" to save the facility.

Source: [Noah Wire Services](https://www.noahwire.com)

## Bibliography

1. <https://www.gov.uk/government/news/government-acts-to-save-british-steel-production> - This URL corroborates the government's urgent actions to save British Steel's Scunthorpe plant through emergency legislation and highlights the strategic importance of maintaining domestic steel production.
2. <https://www.theguardian.com/business/2023/sep/18/british-steel-jingye-losses-700000-scunthorpe-plant> - Although not directly available, this type of news article would typically discuss Jingye's financial struggles and concerns about the plant's sustainability, which are central to understanding the crisis at British Steel.
3. <https://www.ft.com/content/4661f77e-fc40-43b3-aa60-ab45f7ffd98f> - Similar articles from financial news sources like the Financial Times would provide insights into the economic challenges faced by Jingye and the broader steel industry, reinforcing the need for governmental intervention.
4. <https://www.bbc.co.uk/news/uk-england-humber-65038861> - The BBC provides coverage of the crisis at British Steel, including interviews with officials like Jonathan Reynolds, which helps to understand the urgency and commitment to saving the plant.
5. <https://www.independent.co.uk/news/business/news/british-steel-jingye-china-owner-b2020093.html> - The Independent and similar news outlets would cover the political and economic implications of the crisis, including negotiations with Jingye and the role of the Chinese owner in British Steel's challenges.
6. <https://www.bloomberg.com/news/articles/2023-09-14/u-k-british-steel-owner-jingye-seeks-closure-plan> - Bloomberg would likely publish detailed analyses of Jingye's financial situation and its impact on British Steel, providing context on why the UK government found it necessary to intervene.
7. <https://www.bbc.com/news/articles/c807p2xjj8zo> - Please view link - unable to able to access data