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NEWS RELEASE

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Focusing Tata Steel's UK strip products business on higher-value markets

Tata Steel today told employees at its South Wales-based Strip Products business of the need to reduce costs and focus on manufacturing higher-value products.

The company will concentrate UK production of hot rolled coil at its hot strip mill in Port Talbot which has benefited from quality and capacity upgrades and uses recovered energy sources from the steelworks.

Some coil processing facilities including the sibling hot strip mill at Llanwern, Newport, will come out of production but will be retained so they can be restarted in more favourable market conditions. The higher-cost Llanwern mill has ramped up and down on two occasions since 2009.

Tata Steel employees at the Llanwern mill will be redeployed within the business and the company will discuss possible impacts with contracting companies which provide services.

Stuart Wilkie, Director of Strip Products UK, said: “Tata Steel has invested upwards of £350 million to improve the steel industry in Wales in the past five years. In the teeth of a recession we rebuilt a blast furnace, improved the Port Talbot hot strip mill and upgraded the capabilities of our world-class galvanising line at Llanwern. We also built new steel processing technology at Llanwern – a site which will continue to specialise in finishing and distributing our steel products.

“In the past year, we have also been making positive improvements to our manufacturing capability and in developing higher-value new steel products for customers.

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“But surging, and often unfairly traded, imports have combined with a strong pound to create a very challenging business environment. The changes we have told employees about will reduce our costs and enable us to focus on generating more value from our products, which will improve our competitiveness.

“We need to concentrate more on sales of differentiated products to key sectors including automotive, engineering, construction, packaging and consumer goods.”

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About Tata Steel’s European operations
Tata Steel is Europe's second largest steel producer, with steelmaking in the UK and Netherlands, and manufacturing plants across Europe. The company supplies high-quality steel products to the most demanding markets, including construction, automotive, packaging, rail, lifting & excavating, energy and aerospace. Tata Steel works with customers to develop new steel products that give them a competitive edge. The combined Tata Steel group is one of the world’s largest steel producers, with a steel capacity of nearly 30 million tonnes and 80,000 employees across five continents.

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