

Mr Llyr Gruffydd MS
Senedd
Cardiff Bay
Cardiff
CF99 1SN

03 May 2023

Dear Mr Llyr Gruffydd MS,

As Chair of the Senedd's Climate Change, Environment and Infrastructure Committee, I wanted to thank you for the opportunity to give evidence to the Committee last week. I hope myself and my colleague Huw Morgan were able to answer all of your questions and provide an insight into the opportunities and challenges facing both Tata Steel and the UK steel industry more widely.

Further to our discussion, I have separately attached further information regarding international examples of Government support for steel decarbonisation. If there is anything you would like further clarity on, please don't hesitate to contact me.

I wanted to follow up from the session by formally inviting the Committee to Tata Steel UK's Port Talbot site. I have no doubt that this will build on the evidence you heard last week, and reaffirm the Committees views regarding how important the steel industry is to Wales, its local communities and its own journey to becoming Net Zero.

We will also write to the Clerk of the committee regarding a visit and I look forward to welcoming you and your colleagues when diaries allow.

Again, if there is anything else we can support with in the meantime, please do get in touch.

Yours sincerely,



Dr Martin Brunnock
Director of Communications and Public Affairs

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Governments financially supporting steel companies' decarbonisation projects

Date announced	National Government	Steel company	Government contribution or commitment	Decarbonisation project	Update on support
October 2022	Germany	Salzgitter	€1 billion grant	Direction reduction (DRI), electric arc furnace (EAF) and electrolyser (1 st of three phases)	Funding approved by the European Commission in October 2022 and received by Salzgitter from German govt in April 2023.
September 2022	Germany	thyssenkrupp	Extent of govt contribution to €2 billion investment yet to be finalised	Hydrogen-powered direct reduction plants	State Aid approval from European Commission expected in 'next few months'. Work began on the project in March 2023
June 2022	Spain	ArcelorMittal	€460 million (50% of costs)	Hydrogen and electric arc furnace	Funding approved by the European Commission in February 2023
March 2022	Italy	ArcelorMittal	€150 million & favourable credit	Hydrogen (TBC)	No update.
February 2022	France	ArcelorMittal & potentially others	€1.7 billion (out of a possible €5 billion) for Fos and Dunkirk sites	"Innovative technologies" such as hydrogen and carbon capture, usage and storage.	State funding for ArcelorMittal support still subject to EU approval
November 2021	European Union	SSAB, LKAB and Vattenfall	€143 million (additional) through Innovation Fund	Hydrogen	Funding finalised by the European Commission in April 2022
November 2021	Canada (Quebec govt only)	ArcelorMittal	CAD\$80 million through electricity rebate	DRI	No update.
September 2021	Belgium	ArcelorMittal	Extent of govt contribution to €1.1 billion investment yet to be finalised	DRI plant and two electric furnaces	State funding still subject to EU approval
September 2021	Germany	ArcelorMittal	€55 million (50% of costs)	Hydrogen	Funding approved by the European Commission in February 2023
July 2021	Canada (National govt and Ontario)	ArcelorMittal	CAD\$900 million (50% of costs)	DRI and EAF	ArcelorMittal broke ground on the project in October 2022
May 2021	Germany	Multiple	€8 billion+	Large-scale hydrogen projects	No update.