

The background of the cover is a composite image. On the left, there is a close-up of a large industrial machine with a rotating, serrated metal part, emitting a bright orange glow. On the right, three workers in a factory setting are shown. A woman in the foreground wears a grey hard hat and safety glasses, looking towards the left. Behind her, a man in a grey hard hat and a high-visibility yellow jacket smiles. To his right, another man in a grey hard hat and safety glasses is also smiling. The overall scene is brightly lit, suggesting an active industrial environment.

STATE of the
METALS
INDUSTRY
in the **UK**

2023/2024



Who are the UK Metals Council?

The UK Metals Council (UKMC) comprises business leaders from across the full spectrum of the supply chain, from primary manufacturing to recycling. It aims to promote and enhance the profile of the UK metals sector. Its vision is that a modern, sustainable, and progressive UK metals industry will be supplying high-quality, innovative and competitively priced products to UK manufacturing and infrastructure projects, as a key part of the circular economy for metals.

A key element to achieve this vision is the relationship UKMC has with the UK Government. It is recognised by government as the Sector Council and as such UKMC supports government in its policy development by co-ordinating policy responses from across the whole of the metals sector.

Primarily it is the role of Sector Council that has instigated this report of the current condition of the UK metals industry. UKMC will use the report findings to support their work with the UK Government to develop policies that protects the industry from the challenges it faces but also enables the industry to take advantage of growth opportunities. It was recognised that a survey of those within and close to the industry would be the best method to ensure the report reflected the industry views.

Purpose of the Report

The aim of the report is to provide a cross sectoral snapshot of the challenges faced by the UK metals industry and the prospects for future growth and sustainability of the industry.

The findings of the report have been based on a survey carried out by UKMC which is the largest ever undertaken by the industry and sought participants from across the wide spectrum of the industry to get contributions from those with the desired expertise and knowledge.

This wide-reaching collective approach enabled the survey to uncover meaningful trends, identify key issues as well as highlighting new growth opportunities within the industry.

The survey responses have been aggregated, anonymised to ensure participant privacy and the findings are shared within this report.

Foreword



Welcome to the UK Metals Council's first State of the UK Metals Industry report, which is based on extensive feedback from across all levels of the supply chain, from SMEs to OEMs and Primes.

We are reliant on the ongoing support of our member trade associations and thank both them and their members for their willingness to ensure we have the depth and scope required to paint a true picture of our industry.

The report details the hot topics we have consistently raised with UK Government, with Ministers and UK regulatory bodies and that will, importantly, inform our future engagement with key stakeholders.

We believe we have consolidated data for onward conversations with the underlying aim to improve the competitiveness of the UK Metals Sector – that has and always will be our overall goal.

This is just the start. We will continue to raise the profile and wider awareness of the importance of the foundation industries and skills within the sector that support many other industries and which play an important role in our everyday lives.

Many people don't realise it, but we all touch metals every day, be that in our homes and in the services we all use, in the cars, planes and trains we travel in, in the medical devices we rely on, as well as all the tools and machinery used for their production.

And it is now recognised that metals can be infinitely and readily recycled into new parts, something that cannot be said for many other materials in modern life – we need to value metals more!

The topics raised by our businesses continue to be the need to raise the profile of the metals sector and attract new entrants to our companies. Skills, both traditional ones and those needed to embrace new technology, are the lifeblood of the future.

An understanding of the fundamentals of how metals behave, their processing and resulting properties and how they can be developed is critical as society requires stronger, yet lighter metal components.

The funding of apprenticeships and the availability of monies for the upskilling of mature entrants – with continued professional development – are all areas of concern, with a clear call to Government to review the use of Apprenticeship Levy funds for training at all skills levels within our sector.

Energy pricing, including security in the supply of affordable energy to businesses, are high priorities across the whole metals supply, as is recognising the need to embrace the journey to Net Zero through energy efficiencies and electrification. Indeed, the future competitiveness and sustainability of many companies is dependent upon energy pricing.

We, along with our trade association members, are in regular dialogue with UK Government and energy providers to increase their understanding of the real issues faced by our businesses, not to mention the impact of policy changes and increased regulation. The UK Metals Council will continue to ensure our members voices are heard in this critical area.

The State of the UK Metals Industry 2023/24 will be officially unveiled at this year's UK Metals Expo.

This was an easy decision to make, as we wanted the launch to be at an event that brings the sector together and is a melting pot for new ideas, learning, networking and raising awareness of the breadth and depth of the wonderfully diverse and world class supply chain we have in the UK.

Rachel Eade MBE
Chairperson
UK Metals Council



UKMC MEMBER ORGANISATIONS



Executive Summary

This report provides a snapshot of the UK metals industry identifying opportunities for sustainable growth and the challenges that need to be overcome to achieve this growth through collaboration and partnership with Government, as well as the key issues currently faced by the industry. The information for the report has been collated from an industry survey of those with the necessary expertise and knowledge from across the sector.

Trade with the EU

Maintaining trade with the EU has become more challenging for businesses. Businesses are moving away from an over-reliance on the EU and are seeking new markets in non-EU countries: 24% had adjusted supply strategies, 17% had diversified business activities and 15% were seeking new international markets.

UK Government can help, with 30% of our businesses requesting enhanced additional support and resources to help navigate trade barriers and customs procedures. 23% are asking for new trade agreements or trade partnerships to be developed to expand market access.

Raw Material Supply

The global nature of raw material supplies means that the major challenges to companies are price volatility (31%) and supply chain disruptions (21%). Businesses are taking two significant mitigation measures to address these challenges: diversifying their supply chains and sourcing regions (27%) and collaborating with suppliers through longer term partnerships (26%).

UK Government can help by ensuring valuable raw materials are retained in the UK and risks to critical supply chains are mitigated.

Energy Costs

Cost challenges for UK metals sector businesses include high energy consumption (27%), required for metal processing and fluctuations in energy market conditions (25%).

23% were seeking to reduce their energy consumption through modifications to their production processes and 17% want to introduce more energy efficient technologies and equipment to their production processes. In addition, 22% are trying to improve energy supply contracts.

Government can help by ensuring that there is more effective protection for business with their energy procurement contracts, access to finance for the significant capital investment required, as well as guidance and support with energy efficiency programmes, which will lead to reduced costs and increased global competitiveness. A policy for renewable energy subsidies and incentives is requested (33%), and 23% want a UK energy policy for investment in infrastructure for clean energy production.

Net Zero, Circular Economy and Competitiveness

The industry has demonstrated a clear commitment to supporting a transition to Net Zero (90%) and raw material sustainability. The biggest challenge to implementing circular economy practices and promoting recycling in the UK was the lack of awareness and understanding amongst customers (31%) with 23% citing the high implementation costs as a major challenge. 29% of businesses are raising awareness and educating customers, whilst 21% are engaging in partnerships or alliances to promote circular economy practices.

With the primary source of competition being domestic competitors (45%) followed by international and domestic competitors (32%), the main challenge posed is price competition (50%) and then market saturation (33%).

50% of businesses are maintaining competitiveness by improving cost efficiency through process optimisation and automation, whilst 35% are enhancing product quality through innovation.

57% of businesses are concerned by the wide-ranging nature of what they need to do to achieve net zero, which is an area where there is a clear role for guidance and support by Government.

These are all areas where continued and sustained Government investment and support are required, with a clear recognition of the unique role metals can play. Putting measures in place to protect metals as critical raw materials for UK manufacturing as well as procurement strategies for UK infrastructure projects will help ensure skills and jobs are retained and carbon leakage avoided.

Skills and Employment

The three key challenges facing our businesses are a limited pool of qualified candidates (26%), difficulty in attracting labour with relevant skills (23%) and a general labour shortage (20%). Until the shortage is addressed, 24% of businesses will continue to retain and attract talent through competitive salary and benefits packages, which affects trade competitiveness.

The sector is keen to work with UK Government to encourage more young people into the industry through following practical subjects at school and further education training courses, as well as ensuring that there is flexible funding to support upskilling, including technician level apprenticeships.

Conclusions and Next Steps

The finding that 44% of survey participants are very optimistic about future business prospects (and only 16% are pessimistic) is an extremely positive finding from the survey. This shows the overall good health and resilience of the UK metals industry, which can be used to promote the attractiveness of the industry to both existing and future key stakeholders.

Businesses are actively taking action to overcome some of the challenges they face, but there are some clear areas where additional Government support will be needed.

The UK Metals Council is seeking a clear partnership with UK Government to:

- Develop an effective energy policy to protect the industry from future energy price rises through long term investment in clean energy production infrastructure and renewable energy.
- Provide support and resources to navigate trade barriers and customs procedures and new trade agreements or trade partnerships.
- Support with energy efficiency and innovation to ensure continued global competitiveness, an increase in fully UK-based supply chains for national infrastructure projects and avoid carbon leakage.
- Develop a communications plan to promote the importance of critical raw materials, the benefits of the circular economy and recycling in the UK and the role the domestic metals industry can play.
- Work with schools, further education providers and training organisations to plug the skills gap in the industry and make it attractive as a career to young people.

Contents



REPORT

PARTICIPANTS	4
BREXIT	8
RAW MATERIALS	10
ENERGY COSTS	12
NET ZERO	14
CIRCULAR ECONOMY	16
EMPLOYEE RECRUITMENT & RETENTION	18
INCREASED COMPETITION	20

TRADE ASSOCIATIONS

Aluminium Federation	23
Alupro	24
British Constructional Steelwork Association	26
British Metals Recycling Association	28
British Non Ferrous Metals Federation	30
British Stainless Steel Association	32
Confederation of British Metalforming	34
Cast Metals Federation	36
Galvanizers Association	38
Metal Packaging Manufacturers Association	40
UK Steel	42
TWI	44

Together we
can have a bright future.

**METAL
RECYCLES
FOREVER.**

What best describes your primary job function?

The survey participants covered 13 different primary job functions with a significant 43% having a leadership and management function. Over 90% of the participants described their position as having some kind of management responsibility within their company whether that be as an owner, board member or having manager/head of department in their job position.

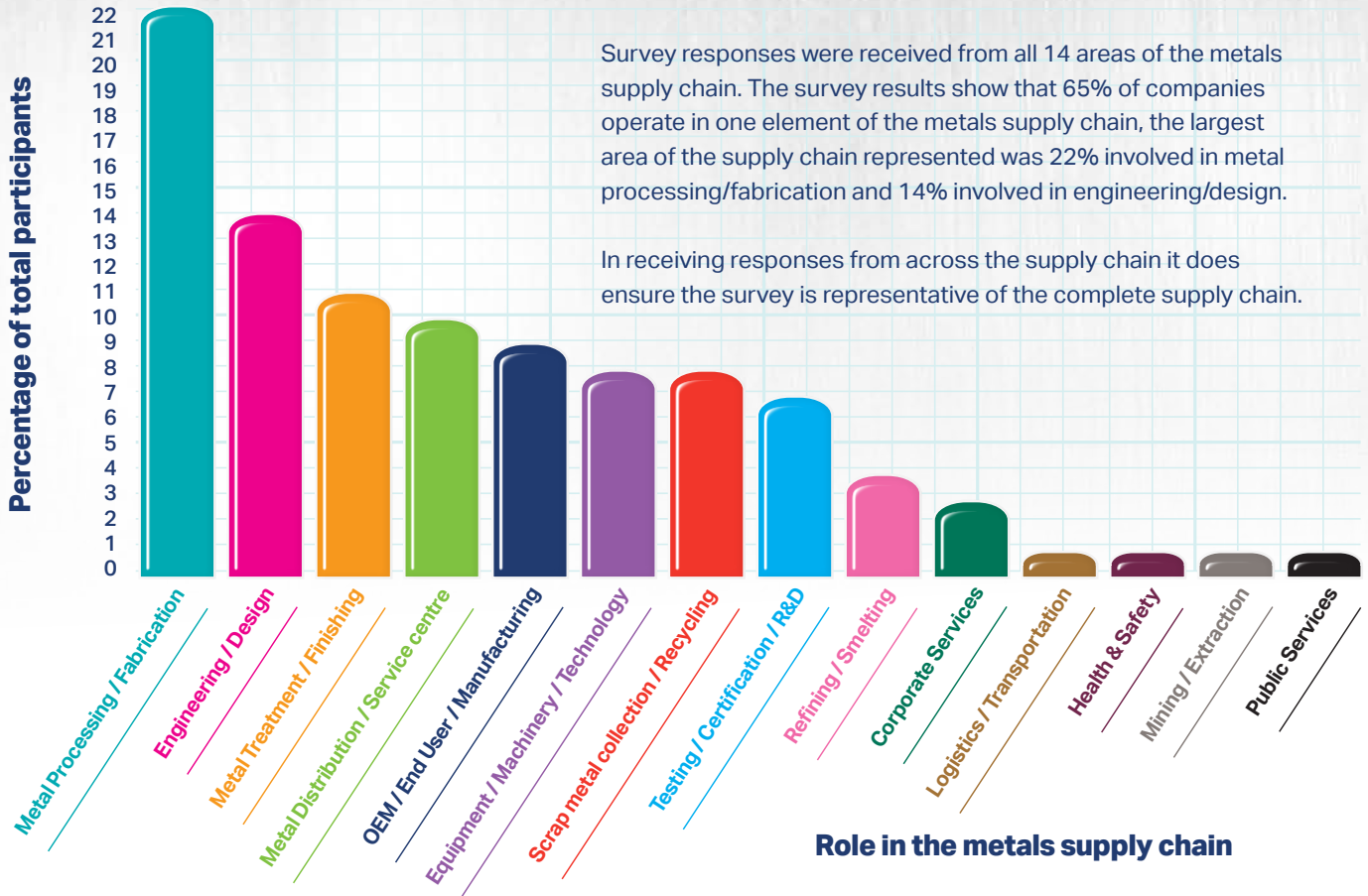
These types of senior roles should ensure the respondents have a certain level of expertise, knowledge and insights that they have used in their survey responses.



What of the following best describes your position?



Which of the following best describes your company's role in the metals supply chain?



Survey responses were received from all 14 areas of the metals supply chain. The survey results show that 65% of companies operate in one element of the metals supply chain, the largest area of the supply chain represented was 22% involved in metal processing/fabrication and 14% involved in engineering/design.

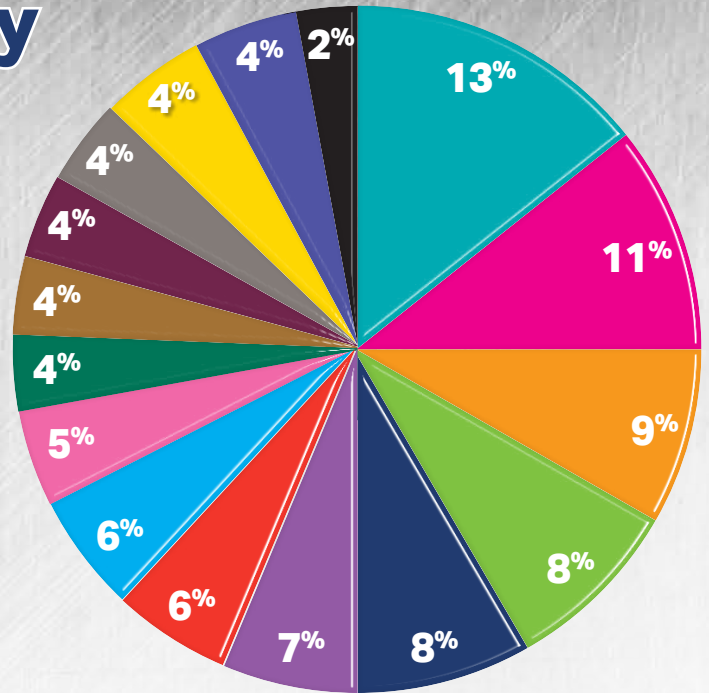
In receiving responses from across the supply chain it does ensure the survey is representative of the complete supply chain.



Which of the following industries does your company operate in?

The survey revealed a typical company was operating across multiple industries. Nearly 75% operated in more than one industry and of these just under 60% operated in more than 4 industries. The spread between the types of industries was relatively even with the largest being 13% operating in construction and infrastructure with 11% operating in the automotive industry.

With a participant's company operating in multiple industries, it does ensure that their survey responses are of a cross industry nature. Through not having an over reliance on one industry this does spread risks for the company across multiple industries and give better growth opportunities from multiple industries rather than just one industry



- | | | | |
|---|--|--|---|
|  Construction & Infrastructure |  Railways |  Agriculture |  Mining |
|  Automotive |  Defence |  Electronics |  Shipbuilding & Ship Repair |
|  Machinery & Equipment |  Aerospace |  Packaging |  Aviation |
|  Energy |  Consumer Goods |  Medical & Healthcare |  IT & Telecommunications |

How would you describe your overall sentiment regarding the future prospects of your business?

Based on a response of 44%, survey participants are very optimistic about future business prospects, only 16% were pessimistic.

These positive responses are very encouraging for the overall well-being of the UK metals industry given the challenges faced by the industry and can be used to promote the attractiveness of the industry to both existing and future key stakeholders.



What factors contribute to your optimism about the future of your business?

There was no one strong reason for this optimism but the largest survey response was 21% for strong customer loyalty and satisfaction followed by 17% for strong market demand for products/services.

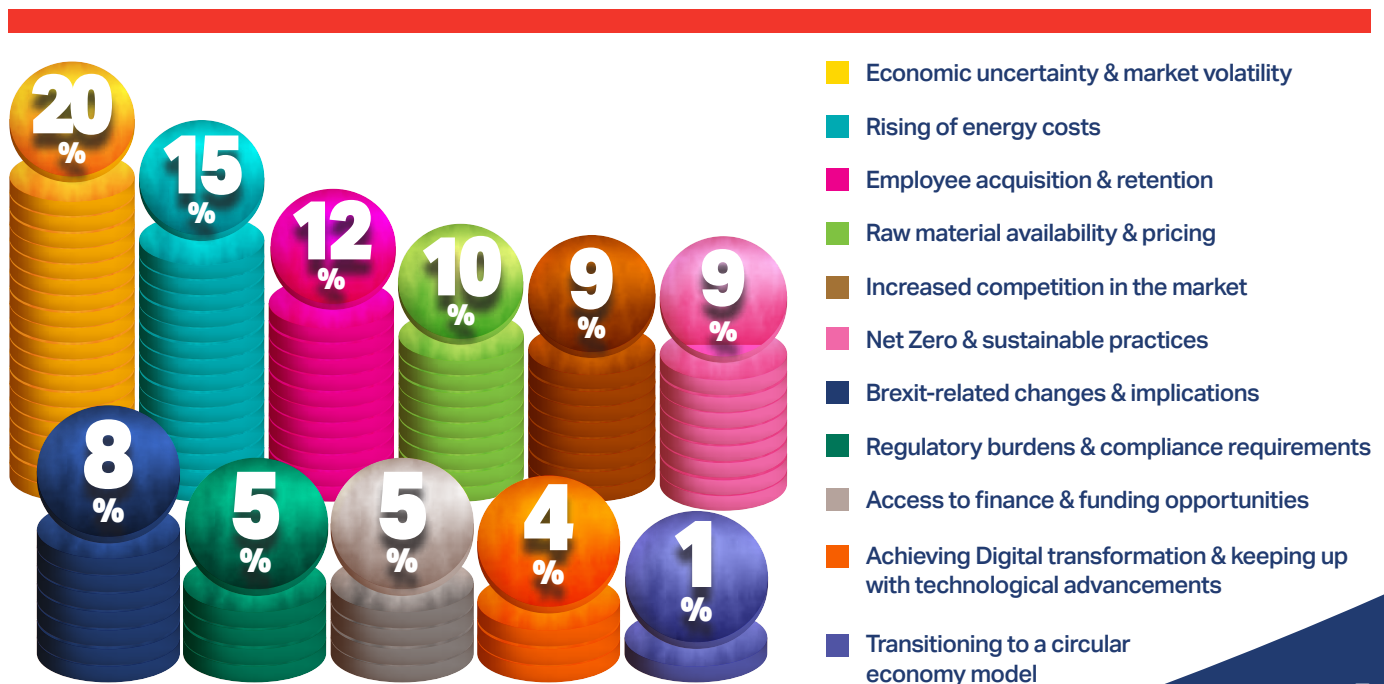
It is likely that these two reasons are linked and businesses feel positive because they have a degree of control over these factors. If a business already has a strong and loyal customer base then providing the business continues to supply products/services at a certain quality and price then customer loyalty will be maintained and this will continue to generate a strong demand.



What are the most significant challenges your organisation is currently facing?

According to the survey the biggest challenges faced by businesses were economic uncertainty and market volatility (20%) and rising energy costs (15%).

These will be of particular concern to businesses because they are challenges which are largely out of their control and they need external support, particularly via government support, to tackle these challenges.



THE IMPACT OF BREXIT

Following the UK vote to leave the EU in June 2016 there was a period known as the transition period to negotiate the Withdrawal Agreement. This period was extended from the original 2 years until eventually the UK left the EU single market and customs union on 31st December 2020. All of this caused significant uncertainty for UK businesses and the Withdrawal Agreement has removed the frictionless borders between the UK and EU through new customs and trade regulations.

What are the major challenges your business has faced or is continuing to face as a result of Brexit?

Given Brexit has such wide-reaching consequences for businesses it is understandable that there was no one major Brexit challenge identified in the survey. The top four challenges were only separated by 2% in terms of responses. These challenges are: changes in customs and trade regulations (16%), tariffs or additional costs on imports or exports (16%), additional administration burden and costs (14%) and disruption to supply chains or logistics (14%).

(16%), additional administration burden and costs (14%) and disruption to supply chains or logistics (14%).

This wide spread in responses is likely to be primarily driven by the exposure a respondent's company has to imports and exports with the EU. However, irrespective of whether an importer or exporter, Brexit is creating challenges for those within the UK metals industry.



How has your business responded or adapted to the challenges posed by Brexit?

24% of businesses reported that they had adjusted supply strategies or sourcing alternatives in order to respond or adapt to Brexit challenges, followed by 17% who were diversifying business activities to minimise Brexit-related risks and 15% for seeking new international markets or partnerships.

All of these responses reflect a realisation by companies that they need to move away from an over reliance on trading with the EU, with all the challenges this brings, and to seek new markets in non- EU countries. There are consequences to this however in terms of increased shipping costs, risks of an increased carbon footprint from the increased transport and challenges for customer support over greater distances and time zones that companies may need to consider.



Which policy or measure would you prefer to see implemented to support businesses in navigating the challenges of international relations and Brexit?

Selected by 30% of survey participants, enhanced government support and resources to navigate trade barriers and customs procedures, was the primary preferred policy/measure to support businesses in navigating the challenges of international relations and Brexit. This was followed by 23% of participants who wanted the development of new trade agreements or trade partnerships to expand market access.

What is evident from these responses is that businesses are reacting to the challenges of Brexit by seeking new markets, but they need government help to access more markets through trade agreements and removing trade barriers for both new and existing markets.



THE SUPPLY OF RAW MATERIALS

Companies in the UK metals industry operate globally, importing raw materials such as ores, coal and unprocessed metals and exporting around the world. Through operating in a global market for raw materials this introduces potential risks to companies such as price volatility and difficulties obtaining the necessary volumes of raw materials.

What are the main challenges your organisation faces regarding the supply of raw materials?

Price volatility is the major challenge, selected by 31% in the survey, that companies reported that they face in respect of the supply of raw materials. Other challenges identified were supply chain disruptions (21%) and limited supplier options (18%).

The global nature of the supply of raw materials means that companies in the UK metals industry are exposed to a significant price volatility risk driven by global rather than local factors. This is primarily caused by changes across the world in the balance between supply and demand often leading to unpredictable price and supply fluctuations, all of which are beyond the control of companies in the UK metals industry.



How do you mitigate or address the challenges in the supply of raw materials?

The survey identified two significant mitigation measures taken by businesses to address the challenges to the supply of raw materials. The largest response was for businesses to diversify suppliers or sourcing regions (27%), this was followed by responses of 26% for collaborating with suppliers for long term partnerships.

Both mitigation measures are aimed at ensuring a reliable future supply of raw materials but have a different approach to achieve this goal. Through diversifying suppliers and regions this removes the over reliance on a small number of suppliers and regions. Through having a wider network of suppliers and regions this means businesses should have access to a greater supply volume of raw materials. The alternative approach of forming long term relationships with suppliers is based upon building supplier/customer loyalty and making long term commitments. This should ensure that when the supply of raw materials is limited, those businesses with the long-term relationship should receive favourable access to the raw materials compared to others.



Please rate the current availability of raw materials for your industry

Although 50% responded that there was a moderate availability of raw materials, only a combined 19% responded that there was an abundant/excellent availability with 25% responding there was limited availability.

What is evident from these responses is that businesses remain cautious about the availability of raw materials, and this is still a potential business challenge.



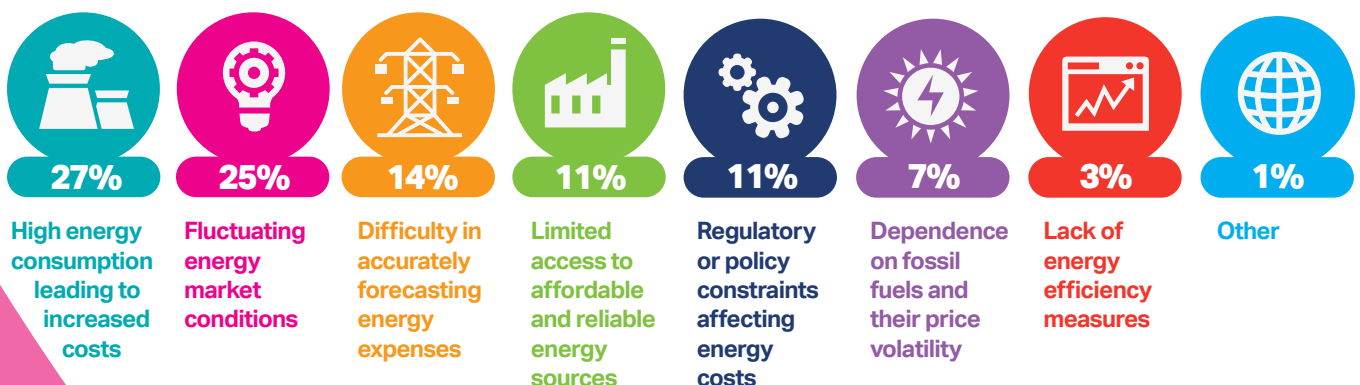
ENERGY COSTS

Following the Russian invasion of Ukraine and sanctions placed on the flow of Russian gas and oil there has been a sustained spike in energy prices. The disruption of Russian gas supply to Europe has led to an increase in the wholesale gas price. The UK still has some of its electricity generated by gas and therefore as wholesale gas prices have risen so have electricity prices to reflect the increase in costs to generate electricity. The manufacturing processes for companies within the UK metals industry is typically energy intensive, using both gas and electricity, making energy costs a significant production cost. The increase in gas and electricity prices has had a significant impact on production costs for companies and this situation looks set to continue for some time.

What are the major challenges you face regarding energy costs?

There are two major energy cost challenges identified in the survey that businesses report that they are facing. Firstly, with responses of 27%, is the high energy consumption of businesses which leads to high energy costs and secondly with responses of 25% is fluctuations in energy market conditions.

The energy intensive nature of businesses operating within the UK metals industry means they will naturally have high energy consumption as part of their production processes. The energy consumed will typically be both gas and electricity which from a pricing perspective tend to follow each other. Increases in gas and electricity prices will mean businesses energy costs increase significantly for the same level of energy consumption. To compound this situation the price volatility within the global gas and electricity markets makes it difficult for businesses to make plans to adjust to changes in their production costs.



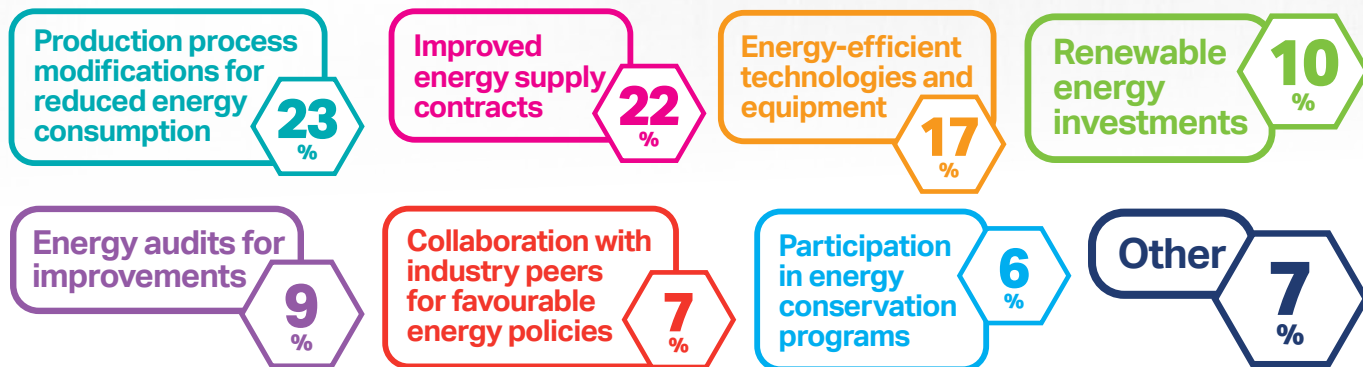
How do you address high energy costs?



The survey identified three measures being taken to address the challenges of high energy costs. The largest response of 23% was that businesses are seeking to reduce energy consumption by making modifications to their production processes. Alongside this measure, at 22%, is that businesses are trying to improve energy supply contracts and the third highest response of 17% was that businesses want to introduce more energy efficient technologies and equipment to their production processes.

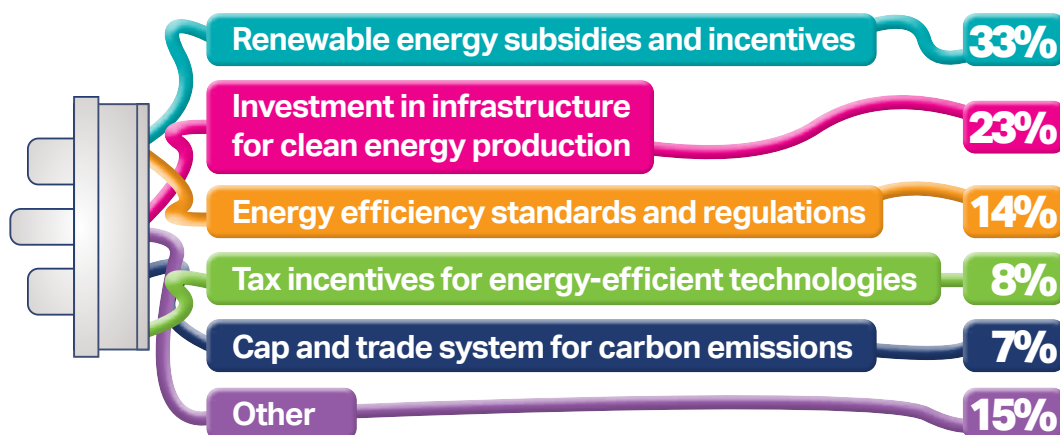
These measures relate to energy consumption and energy prices which are the two elements that make up energy costs. The reality of improving energy contracts will be challenging given market conditions and how energy suppliers base contracts on market prices at the time of contracting.

Improvements may be possible in terms of looking at fixed and variable price contracts as well as choosing the correct time to fix a price and for how long. Companies in the UK metals industry will have more control on the other two measures to reduce consumption through modifying production processes and introducing energy efficient technologies and equipment. The degree to which these can both be achieved will depend on the ease and impact of implementing these measures. There is also likely to be capital investment required which may not always be available as an option for a business, depending on the time required for a return on the investment.



Which energy policy do you favour the most for reducing energy costs and promoting sustainability?

Having been selected by 33% of respondents, a policy for renewable energy subsidies and incentives is the primary desired policy by survey participants. The second selection of 23% is for an energy policy for investment in infrastructure for clean energy production.



What is evident from these responses is that businesses are seeking a longer-term solution to reduce energy costs but achieving this in a sustainable manner that contributes to net zero targets.



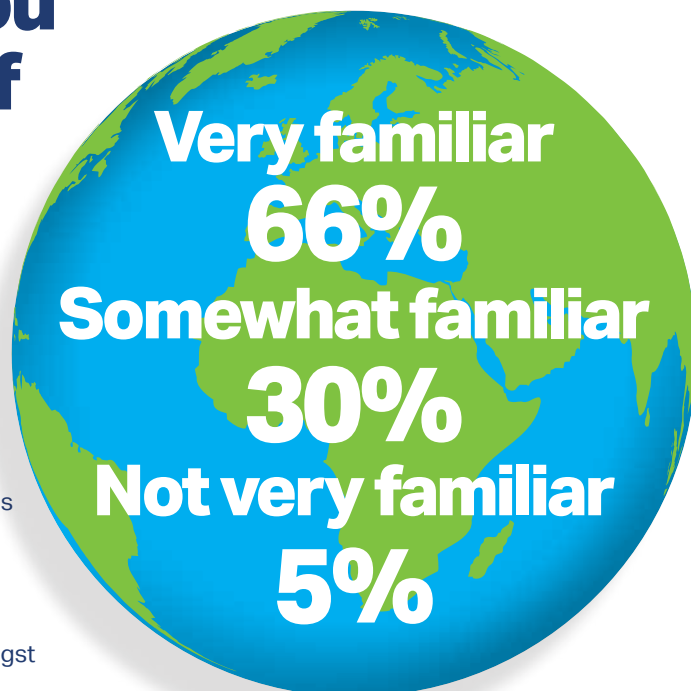
NET ZERO

In simplistic terms net zero means achieving a balance whereby the amount of carbon emitted to the atmosphere is no more than the carbon removed from it. The UK Government has set a target to reach net zero by 2050 but to achieve this requires significant changes well before this date. The UK metals industry makes a considerable contribution to the UK economy, providing the engineered components required for all parts of modern life and is ideally placed to make a similar contribution to achieving net zero. This will be challenging in an energy intensive industry and will require significant changes both throughout the supply chain and in terms of capital investment. The sector will need clean/green, sustainably generated energy to be available and affordable for the UK to avoid carbon leakage.

How familiar are you with the concept of Net Zero and its implications for your business?

The survey revealed an overwhelming familiarity, amongst respondents, with the concept of net zero and the implications for businesses. Over 90% were familiar, of which 66% were very familiar.

This level of awareness is a very positive outcome, demonstrating the focus on delivering net zero amongst businesses in the UK metals industry.



What are the major challenges your business faces in transitioning towards Net Zero?

The survey did not identify a singular outstanding challenge to transition to net zero, with only 4% separating the top four challenges selected by respondents. The highest response was 18% received for reducing greenhouse gas emissions in operations and supply chains, followed by identifying and implementing suitable renewable energy sources (16%), adapting infrastructure and processes for sustainability (14%) and balancing financial costs of low-carbon technologies (14%).

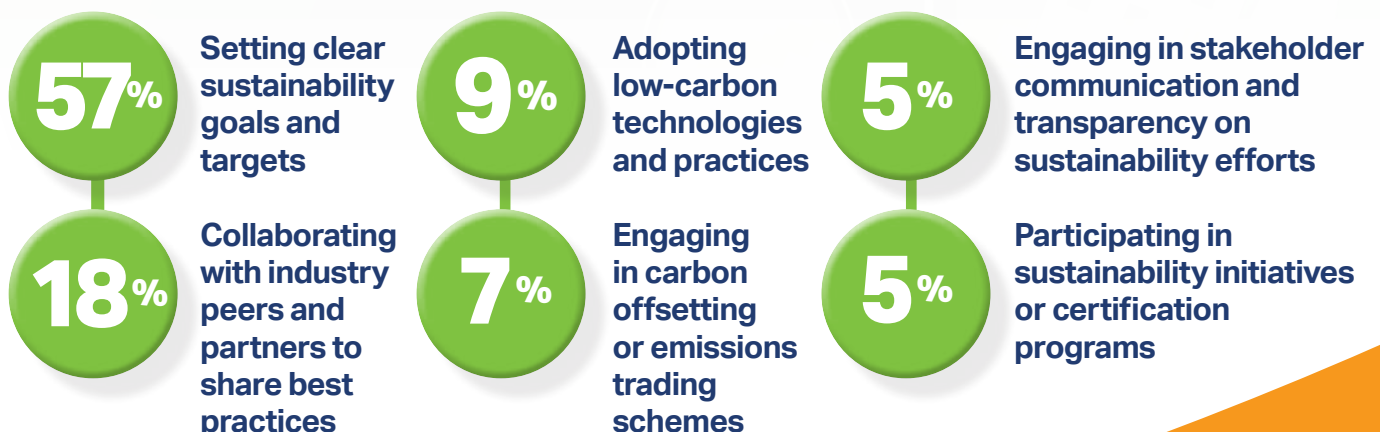
The wide-ranging nature of what businesses need to do to achieve net zero is reflected in the survey results. There is a strong link to the survey responses received for energy costs regarding renewable energy which will contribute to both net zero and provide a long-term protection from energy price spikes. The responses demonstrate that businesses recognise that net zero cuts across all aspects of the manufacturing process and the supply chain but there is a financial challenge to overcome to deliver net zero.



How is your business addressing the challenges of achieving Net Zero?

With responses of 57%, the survey showed that businesses are addressing the challenges of achieving net zero through setting clear sustainability goals and targets.

Adopting this approach ensures businesses have the necessary focus to deliver net zero in that a clear set of sustainability goals and targets will ensure the way businesses go about carrying out their activities is aligned with a set of sustainability goals and targets.





CIRCULAR ECONOMY

The UK Government has a desire to move to a more circular economy and away from using new resources to produce products and then disposing of products at the end of their useful life. A circular economy is based on products that can be repaired, re-used, remanufactured, and recycled.

All of these attributes are well suited to metals given they are already readily recycled, and this provides the UK metals industry with a perfect opportunity to work with UK Government to achieve a fully circular economy.

How familiar are you with the concept of the circular economy and its relevance to sustainable development?

The survey revealed an overwhelming familiarity with the circular economy concept and its relevance to sustainable development. All respondents were familiar with the concept with 83% being very familiar.

This level of awareness is a very positive outcome, demonstrating the level of commitment from businesses within the UK metals industry.



Very familiar

83%

Somewhat familiar

17%

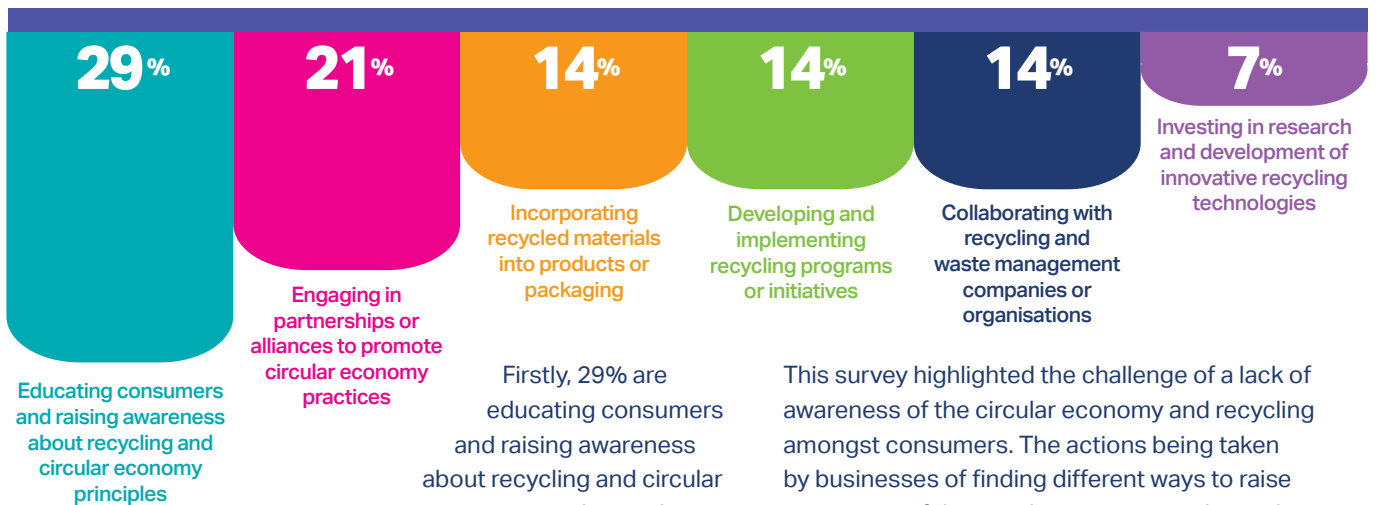
What are the major challenges your business or organisation faces in implementing circular economy practices and promoting recycling in the UK?

Having been selected by 31% of survey participants, the lack of awareness and understanding amongst consumers about recycling practices is the biggest challenge to implement circular economy practices and promote recycling in the UK. The next highest selected was 23% for the challenge of high costs associated with implementing circular economy practices.

The two major challenges highlighted the need for support from government and other industrial sectors to promote the benefits of a circular economy and recycling. In particular the role metals can play in achieving this. It is also evident that costs could be prohibitive in developing circular economy practices.



How is your business or organisation addressing the challenges of promoting the circular economy and recycling in the UK?



The survey identified two major actions that businesses are taking to promote the circular economy.

Firstly, 29% are educating consumers and raising awareness about recycling and circular economy principles, and secondly, 21% are engaging in partnerships or alliances to promote circular economy practices.

This survey highlighted the challenge of a lack of awareness of the circular economy and recycling amongst consumers. The actions being taken by businesses of finding different ways to raise awareness of the circular economy and recycling is dealing directly with this challenge. This is particularly important to the UK metals industry because of the unique role metals can play in achieving a circular economy.



EMPLOYEE RECRUITMENT AND RETENTION

To achieve its wider ambitions for growth, the UK metals industry will need to attract many more graduates, apprentices and technicians. It will also have to retain those

it already has and retrain others to acquire the specific skills required for the future. This will be challenging given the image of the industry and the shortage of both sector specific vocational training and appropriate degree-level courses.

How would you rate the current effectiveness of your industry's strategies in attracting and hiring talent?

The survey results were a little mixed with the largest view of respondents (39%) being that current employee acquisition strategies are somewhat ineffective. However, 28% were neutral and 26% thought strategies were somewhat effective.

There were no strong feelings expressed with regards to the effectiveness of acquisition strategies, although there is a leaning towards them being somewhat ineffective which is probably a reflection of the current labour and skills shortage in the UK metals industry and a desire for more to be done.



KNOWLEDGE



LEARNING



COACHING



SKILLS



DEVELOPMENT



SUPPORT



TRAINING

What are the key challenges your organisation faces in recruiting and attracting labour?

According to the survey the three key challenges are: a limited pool of qualified candidates (26%), difficulty in attracting labour with relevant skills (23%) and a general labour shortage (20%).

It is recognised that the UK metals industry is not seen as an attractive career to younger people and there has been a reduction in the number of students taking practical subjects, with many schools and colleges reducing the number of practical subjects being taught. As a consequence, there are less of the qualifications and qualified staff available to meet the needs of the companies in the metals industry. This creates a skills and labour gap and a reducing availability of labour with the necessary qualifications and skills.



What strategies or initiatives has your organisation implemented to improve talent retention and reduce employee turnover?

There is one stand out initiative undertaken by companies to retain talent identified by 24% of survey participants, which is to offer a competitive salary and benefits packages. There are a number of other initiatives selected in the survey by 16% to 12% of respondents. These cover flexible work arrangements, career growth opportunities, employee rewards program and a strong organisational culture and positive working environment.

In a jobs market where there is a shortage of skilled labour for available roles this does lend itself to companies having to outbid the competition with generous salary and benefits packages to retain and attract employees. This is something that the responses to this survey have confirmed.





Historically the UK was the world market leader in the metals industry. However, this is no longer the case following international changes making it easier for companies to access markets across the world and this has led to the UK metals industry, and all those that participate in it, being part of a global market. This has increased competition with some of the demand for metals in the UK being met by imports and overseas companies setting up manufacturing operations within the UK.

What is the primary source of competition your company faces in the market?



The survey results show the primary source of competition is domestic competitors (45%) although 32% of survey responses were for both international and domestic competitors.

These responses show that whilst there is still strong competition between domestic companies there is also a significant international source of competition. This is a reflection of the global market for metals and the UK remains an attractive market for international companies.



What are the main challenges posed by the competition you face?

According to the survey the two main challenges posed by the competition to businesses is price competition (50%) and market saturation (33%).

Competing on prices may work in the short term but longer term this is not sustainable. This may demonstrate that companies have different cost bases for similar products leading to them being able to price differently without impacting upon profitability. Market saturation indicates that there are limited options for growth apart from taking market share from competitors which could be linked to price competition.



How do you think your company should address these challenges to maintain competitiveness?

 **IMPROVE** > **50%**
cost efficiency through process optimisation and automation

 **ENHANCE** > **35%**
product quality and innovation

 **RELOCATE** > **5%**
production or operations to countries with lower costs

 **RE-SHORE** > **2%**
production or operations back to your domestic market

OTHER > **8%**

The two main actions, according to the survey, undertaken by companies to maintain competitiveness are improve cost-efficiency through process optimisation and automation (50%), and enhance product quality and innovation (35%).

Through cost efficiencies, companies can reduce their cost base which should enable them to compete on price but maintain profitability. In offering an enhanced quality product, it is assumed that consumers are seeking value for money rather than the cheapest prices and this should allow companies to maintain prices for the quality product and avoid competing purely on price.

MEMBER ORGANISATIONS

ALFED

ALUMINIUM FEDERATION

By 2030, the UK metals industry will be supplying high-quality, innovative and competitively priced products to a wide range of customers. The aim is for it to be a main supplier to the UK's primary manufacturers, in addition to a leading global supporter. Due to this, ALFED, the Aluminium Federation is proud to be able to use our position as the voice of the UK aluminium industry to promote the UK Metals Council survey out to our members; getting the thoughts and opinions of such a wide representation from across supply chains.

ALFED are proud to represent businesses who process, trade and work with aluminium. Fostering innovation, promoting best practices, developing skills and championing our members' interests. From training and researching to research, advocacy, lobbying and outreach, we help our members solve problems, capitalise on opportunities and boost their competitiveness.

We host a variety of different member events throughout the year, providing members with an abundance of networking opportunities to meet both us and each other. Our annual House of Lords Lunch back in June this year provided an excellent opportunity to hear from ALFED President, Mike Dines, as well as industry representatives like Miles Prosser and Paul Voss about an outlook of the aluminium industry across the UK and globally. The House of Lords Lunch is followed by an annual parliamentary breakfast briefing hosted at the House of Commons in London, usually in September. This year the briefing discusses the theme of future impacts of imports and exports, and the significance this will have on trade for the UK economy. The event will be hosted by ALFED President Mike Dines and Phillip Dunne MP and will act as a unique platform for ALFED members and parliamentary representatives to discuss the challenges, opportunities and potential strategies to navigate the changing dynamics of the UK aluminium market.

According to Tom Jones, CEO of ALFED:

"Aluminium is an affordable, highly recyclable material that supports a global circular economy. As the voice of the UK industry, our mission is to expand the market for aluminium products by helping members solve problems, lobby government and boost their competitiveness."



Whether it's providing technical support, delivering market insight, informing trade policy or offering networking opportunities – everything we do focuses on helping UK aluminium capitalise on opportunities.

As a member, you become part of an influential community, getting your voice heard within the industry and at the highest levels of government. Working together, we're actively driving UK aluminium forward – and I look forward to working with you in this endeavour".

For more information on our services and benefits, please visit:

www.alfed.org.uk





**THE ALUMINIUM PACKAGING
RECYCLING ORGANISATION**

Who are Alupro?

For over 30 years, Alupro has been the voice of the aluminium packaging value chain in the UK. A membership organisation representing aluminium producers, packaging manufacturers, FMCG brands and recyclers, Alupro's purpose is to help the industry meet its recycling targets and put the spotlight on the merits of aluminium packaging.

Our work revolves around 3 pillars.

1. Innovation and Representation

We carry out research into consumer behaviour, recycling infrastructure and packaging design for recyclability, working in collaboration with partners and governments to deliver higher recycling.

2. Consumer Education & Engagement

Our branded programmes, including Every Can Counts and Metal Matters, engage the public wherever they consume metal packaging to encourage them to always recycle and have a demonstrable success rate at increasing recycling yields.

3. Schools Programme

Our dedicated programmes for Key Stages 2 and 3, taught to over 90,000 children in 2022, deliver practical tools for teachers that engage and entertain children whilst they learn the basics of recycling.



Aluminium Packaging & Recycling in the UK

The aluminium packaging market in the UK is the largest in Europe. Every year, the UK public consume over ten billion aluminium drinks cans, billions of foil trays and screw-tops, millions of aerosols and many other types besides.

Aluminium is the material of choice for many packaging designers due to its unique characteristics, including its amazing recyclability. In a world increasingly focused on achieving a sustainable future, aluminium packaging is well placed to deliver a circular economy. Indeed, our industry has a great starting point with 82% of aluminium beverage cans being recycled in 2021 and 68% of all aluminium packaging as a whole. For context, this is an increase of over 20% across both of these measures in the last 10 years, a fantastic achievement.

The success of this industry, growing by double-digit percentage points over the last decade, supports tens of thousands of jobs across the UK value chain.



Challenges

Like all responsible industries, ours is committed to improving sustainability still further (primarily through decarbonisation) and maximising the availability of recycled material for use in new products. Alupro's members are facing challenges to achieving these goals.

Recycling aluminium, although much less energy-intensive than creating primary aluminium, uses a lot of thermal energy (usually natural gas) to power the process. To decarbonise, the industry is looking to alternatives like hydrogen and although this is a work-in-progress for the UK, we would encourage the government to prioritise this in its net-zero commitments.

Packaging recycling efforts have been supported by government regulation for 25 years, but the current system needs to be replaced. The government recognise this, proposing several reforms in their 2018 Resources & Waste Strategy including a Deposit Return Scheme (DRS) for drinks containers and Extended Producer Responsibility (EPR) for all other packaging. Yet, in 2023, none of these have been implemented and indeed some of the decisions made around these schemes pose a threat instead of an opportunity for aluminium packaging. For example, excluding glass bottles from the DRS in England, or insisting on a single rate of deposit for drinks containers under the Scottish DRS that will incentivise plastics use for larger bottles, pose unnecessary and unwelcome competitive barriers for cans.

Lastly, whilst public understanding of recycling as well as recycling technology have markedly improved, there are still challenges in addressing so called 'confusing' packaging (i.e. those made of multiple different materials and often containing plastics). These too often end up in landfill or being incinerated even if the recycling infrastructure is available to process it, as people follow the mantra 'if in doubt, throw it out.'

Opportunities

However, the future could be really bright for our industry. Demand is growing for sustainable packaging; brands recognise that recyclability is critical to delivering their own sustainability commitments to their increasingly green-conscious customers. Our member's focus is on maximising the end-of-life recycling rate of aluminium packaging, as it is the key lever to deliver lower-carbon packaging.

DRS and EPR reforms could deliver good environmental outcomes for aluminium packaging, building on the good foundations we have already achieved, so long as those systems are well-designed in a way that doesn't create unintended consequences that can damage aluminium. Indeed, in other countries where these measures are in place already, aluminium thrives.

Why not here as well? Our "Aluminium Manifesto: A World-Class Recycling System for the UK" lays out our industry vision for just such a future.

For more information, please visit:

www.alupro.org.uk





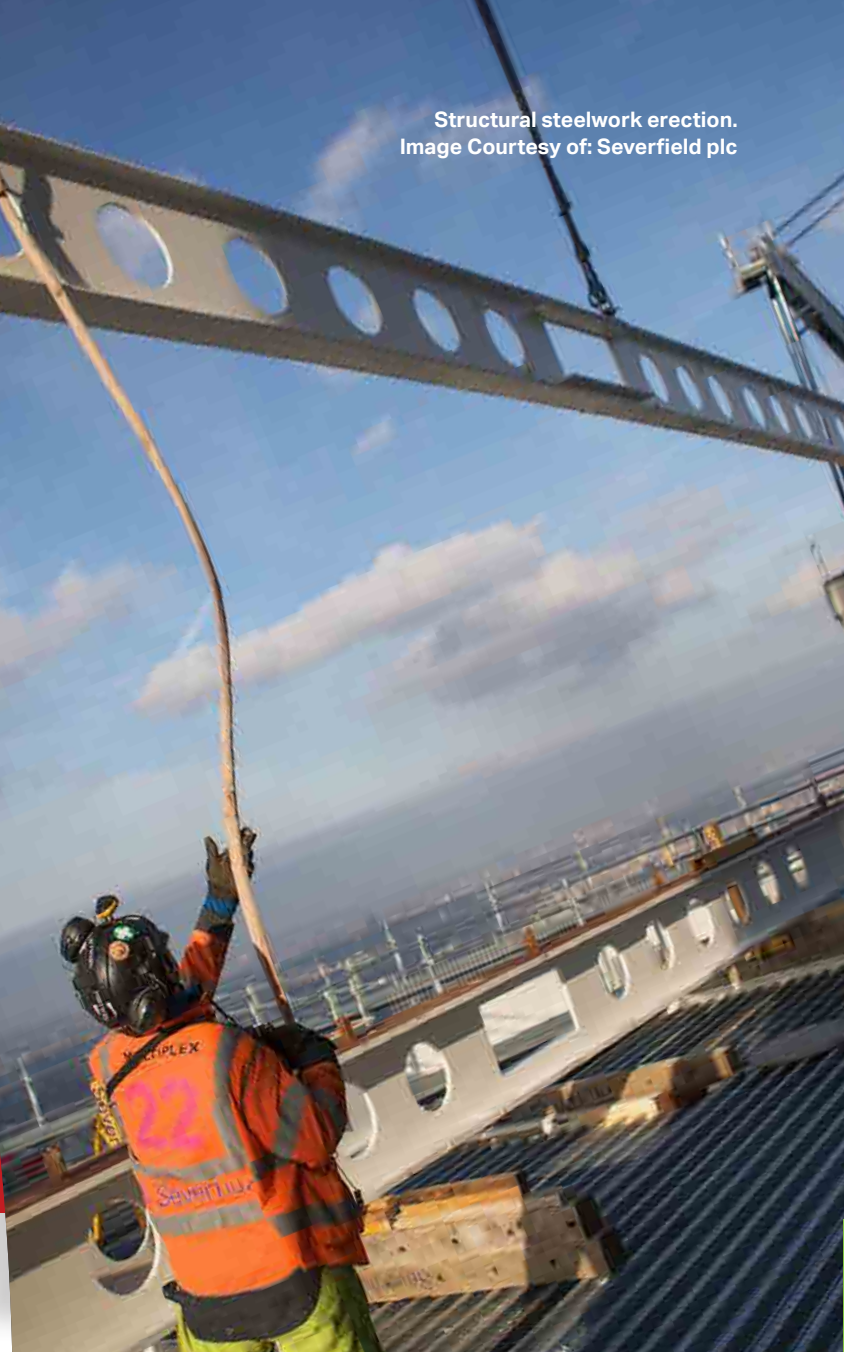
Structural steelwork erection.
Image Courtesy of: Severfield plc

BRITISH CONSTRUCTIONAL STEELWORK ASSOCIATION; PROTECTING, ENHANCING AND PROMOTING MEMBER COMPANIES WORKING IN THE CONSTRUCTION SECTOR.

The British Constructional Steelwork Association (BCSA) has been representing the UK structural steel industry for over a century and the Republic of Ireland since 2006. Operating on a local, national and international level, BCSA strives to raise the profile of the sector and its Member companies.

The Constructional Steelwork Industry in Numbers:

- The constructional steelwork market is worth approx. £1.6 billion per year
- Circa 60,000 people are employed in the sector
- Demand for steel in the UK is 15 million tonnes a year
- The UK generates 13 million tonnes of scrap metal per year which is sold to companies abroad for reprocessing



BCSA RQSC Member companies, undertake the design, fabrication and erection of steelwork for all forms of construction in building and infrastructure, as well as Industry Members who supply materials, components and machinery.

It is the aim of the Association to influence and create a fair-trading environment for all the Members to help improve their profitability. They already contribute a large amount to the economy and local areas through the projects they undertake, local people employed, and social value added through environmental and community work; and we believe this can be increased.

On behalf of the industry and its Members, the BCSA is calling on the Government with a mini-manifesto to be launched later this year, to make policy change in a number of areas to help us build a sustained world-class constructional steelwork industry. These include some of the greatest challenges we face as a sector, which can and should be easily supported by the Government.

CASH RETENTIONS

have been a bone of contention for companies throughout the sector for years.

Steelwork contractors are often one of the first skilled trades on a project site. 3-5% of the overall project contract value is retained by the developer for defect rectification at the end of the project, which could be years after BCSA Members have completed their element of the work. This impacts cash flow, impedes companies being able to invest in increasing their capacity and output. For smaller businesses in the supply chain this can be very detrimental and have very negative consequences. The BCSA is calling on the Government to ensure that Project Bank Accounts are utilised on public projects and outlaw cash retentions on all projects to help spur growth and investment.

UK FIRST

was a government mantra, especially leading up to Brexit, yet it appears that public project procurement policy is not supporting this. As a sector we have witnessed first hand structural steelwork contracts for HS2 being awarded to European and other International joint ventures. In 2022/2023, of the 38,612 tonnes of steelwork, only 56% of this was awarded to UK companies. As these are public projects, the BCSA believes this % ratio should be much higher, if not all the contracts awarded to UK companies. We have the capacity and competency to undertake the work, and by doing so the benefit to the UK economy will be far greater, as well as local social value chains. This requires a change to the Government's Procurement Policy for public projects, as well as policing them throughout the supply chain.

FIT FOR PURPOSE APPRENTICESHIPS

are required to meet the growing skills gap to ensure companies have a sustainable workforce for the future. The constructional steelwork industry has seen a great disparity in educational providers funding for level 2 and level 3 apprenticeships, which has led to preference of the higher level being offered. Potential apprentices for the steelwork sector require the basic skills taught under level 2 schemes and then refined by in house courses when graduating to fulltime employment. Unless a level playing field is created with equal funding, then we will continue to see the skills gap increase.



Structural steelwork erection, London
Image Courtesy of William Hare Ltd



Structural steelwork fabrication
Image courtesy of H Young Structures Ltd

GOVERNMENTAL SUPPORT FOR UK STEELMAKERS

to decarbonise is paramount to keep a foundation industry alive, which is part of Britain's heritage. Investment is required at a company and national level to enable this. Companies require financial support to implement new green technologies. Commitment to extend the national grid to power electric arc furnaces is required. As per our European neighbours, subsidised electricity for steelmakers will also make them more competitive. Without this, we may lose an important industry in this country and more steel will have to be procured from overseas.

The BCSA believes that with dedicated commitment to invest in these areas to support the constructional steelwork sector, the returns will be exponential as companies will have more business opportunities, new jobs will be created, new skills fostered, which will increase the resilience and capability of the industry.

For more information, please visit

www.bcsa.org.uk





Like just about every industry in the UK, the metals recycling sector has been in a state of flux over the past few years. Brexit, COVID-19 and the war in Ukraine have all had an impact.

Despite warnings to Government, Brexit left us with a labour and skills shortage. Prior to Brexit, many general operatives hailed from Eastern Europe, but the nature of the job meant that they did not qualify for the points-based immigration system. Many of our HGV drivers found the delays and difficulties at outbound ports meant they would be better placed working within the European Union. Despite assertions from the Home Office that we would fill these roles with home-grown talent, this has not come to pass, and we are still hampered by shortages of suitable replacements.

When COVID-19 hit, we were recognised as a key industry and so were able to continue operating. With large numbers of householders at home on furlough, we did see them use the time to engage in a lot of DIY and, with nowhere to spend their money, they bought new TVs and white goods. This meant we continued to see volumes coming through the gates. This was followed by a post-lock down mini boom where there was plenty of scrap and the prices were healthy. Now, the war in Ukraine, the cost of energy and inflation, has led to uncertainty amongst householders and this has meant volumes have withered and prices have dropped.



When it comes to the cost of energy, no one in the UK Metal industry is immune from its impact. The lack of serious Government intervention is making it close to impossible for some of our colleagues such as those in the steel industry to compete against even close neighbours in Germany and France whose governments are throwing everything but the kitchen sink at their domestic steel industry.



The UK metals recycling sector currently fulfils all the domestic needs for scrap. As we meet UK demand, we export around 80% of arisings. We would, however, welcome Government intervention to support the UK steel industry's transition to net zero by moving to electric arc furnaces (EAFs) which use more scrap. Indeed, we are already a key part of helping the steel industry – and all other metals smelted in the UK – decarbonise. Recycling metal produces 80% less CO₂ than production from raw materials. Recycling steel uses 70% less energy than mining and refining virgin ore.



We are facing our own challenges to move away from fossil fuels. Firstly, many of the current electrified plant and equipment is not safe to use in the harsh environs of a metal recycling yard not least because they often come with a tether or power umbilical. They can also come at a significant cost. Secondly, some 30% of sites are either not connected to the Grid or cannot draw enough power to enable them to make the transition. Government grants such as the Industrial Energy Transformation Fund make the application process so onerous that many SMEs are simply unable to apply.

Given our impact on UKPLC and our place in helping the metals industry decarbonise, surely this should not be the case? If nothing else, the war in Ukraine has shown just how much we rely on overseas metal smelters and producers. Surely, we should be fighting to breathe new life into the UK metals sector?

Of course, what we would need for this to truly happen is a domestic market for our metals. We need the Government to energise UKPLC. It needs to place engineering and manufacturing firmly back at the heart of its industrial strategy and reclaim its position on the world stage as a 'centre for excellence'. The drive towards increasing university places has meant traditional skills that were so strongly linked to apprenticeships have been lost. Our bid to transition to a world-beating service economy hasn't really come to fruition. We need to recognise this and go back to what we are really good at... making things.

This would also offer further opportunities for the Government to embrace green and dare we say it, local, procurement policies. For example, they should be mandating the use of materials containing recycled content in national infrastructure projects.

Finally, the UK metals recycling industry needs a level playing field in which to do business. We continue to be faced with businesses operating without a scrap metal dealer licence and, often, without the correct environmental authorisation. Local Authorities and police services are simply not enforcing the Scrap Metal Dealers Act. Local Authorities openly say that in the face of the thousands of taxi and alcohol licences they are faced with, scrap metal dealers are an add-on and not a priority.

Some sites are also not operating with environmental best practice in mind. Many are currently operating under a T9 exemption, which is free and which means, being unpermitted, they are not ordinarily regulated by the Environment Agency. The removal of the T9 exemption next year, may make things worse as the cost for even the simplest environmental permit is set to be over £2,600. While the Environment Agency is looking to secure funding to ensure those with a T9 make the transition, it will be a big piece of work which will take some time. In the meantime, these operators will continue to operate in an illegal manner unchecked.

For more information, please visit:

www.recyclemetals.org

BRITISH NON-FERROUS METALS FEDERATION

AT THE HEART OF OUR MANUFACTURING FUTURE

Copper and copper alloys are essential for Britain's economy and everyday life. Renewable energy generation, buildings and infrastructure, and electric vehicles are just some of the sectors which rely on copper products.

Global demand is forecast to double to be 50mt in 2050¹. A 2022 Goldman Sachs' report has stated that 'Copper is the new oil' because of its role in electrification and green energy².

Now is the time to invest and grow the industry which is crucial for Britain's manufacturing future.

Copper is essential for future industries and supply chains

Recent crises have shown the fragility of Britain's reliance on global supply chains. When the COVID-19 pandemic hit, copper tube from UK manufacturers was needed to connect the ventilators in the Nightingale hospitals.

Strengthening the UK's domestic supply chain capability requires investment in the copper industry.

- Copper is essential for low carbon and green technologies. Wind turbines, solar power and electric vehicles all rely on copper.
- Copper and copper alloys are vital for high-tech products from electronics to the defence industry.
- Copper is needed for all infrastructure and housing projects, including the power network, plumbing and heat pumps.
- Due to its importance copper has been listed as a critical or strategic material by major economies, including the European Union.

"Renewable energy projects rely on copper products."



Copper and the circular economy

- Copper is endlessly recyclable and recycled copper is a crucial raw material for industry.
- The UK exports a huge amount of valuable recycled copper and copper alloy scrap - 250,000 tonnes were exported in 2022³.
- Using more recycled copper in domestic manufacturing would boost the circular economy and the UK's low carbon metal supply chain.

"Recycled copper 'scrap' is a vital raw material for the industry."



"The industry provides skilled jobs across the country."

Britain's copper industry

The UK used to have one of the largest copper industries in Europe. The size of the sector has reduced in recent decades, but retains many key capabilities to process copper and produce copper products including:

- Copper tubes, pipes and fittings
- Copper and alloy sheet and strip
- Copper cables and wire
- Manufacturing equipment, research and production

Policies to strengthen the copper manufacturing industry in the UK

Britain's copper industry could have a bright future. However, there is a need for more investment and better regulations to support manufacturers, including:

- A consistent industrial strategy which supports investment and long-term stability in metals manufacturing.
- Regulations and incentives which encourage private investment in the latest technologies in UK plants, including processing recycled copper.
- Support for skills, training, and apprenticeships to strengthen the UK's manufacturing workforce.
- Internationally competitive and stable energy prices, environmental standards and industrial regulations.

To find out more contact Mike Smith at Mike@coppercouncil.org

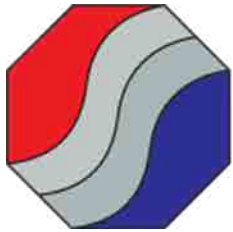
¹ International Copper Association, Copper – the Pathway to Net Zero, March 2023,

<https://copperalliance.org/resource/copper-pathway-to-net-zero/>

² Goldman Sachs Research, Green Metals: Copper is the New Oil, 4 May 2022,

<https://www.goldmansachs.com/intelligence/pages/copper-is-the-new-oil.html>

³ International Wrought Copper Council

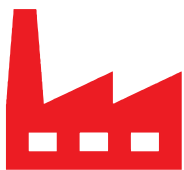


BRITISH STAINLESS STEEL ASSOCIATION

The British Stainless Steel Association is a member funded trade association, representing businesses and stakeholders involved in the stainless steel industry from raw material extraction, manufacture, distribution, fabrication, surface treatments, installation, to end of life recycling.

The BSSA is located in the heart of Sheffield, Steel City and the birth place of stainless steel in 1913.

Our objectives are:



To bring together businesses producing, trading and working with stainless steel, and affiliated businesses offering products or services of interest to the stainless steel industry.



Enhance the profile of stainless steel in our sustainable future by promoting and undertaking activities in the interest of our members. These include seminars, conferences, Expo's and webinars.



Provide technical support, business information, training and education. Our technical support is offered free at point of use for members and non-members alike.



To be THE voice of our industry to policy makers.

We have over 170 members ranging from SME's through to multinational companies, involved in many different markets including;



Construction and Architecture



Food and Beverage



Chemical Industry



Pharmaceutical and Medical Industry



Energy, including Hydrogen



Transport, including Automotive, Rail, Aerospace, Sea and Bulk

What are stainless steels?

Stainless steels are a small but critical part of the wider steel family. Stainless steels are a steel with a minimum of 10.5% chromium and a maximum carbon content of 1.2%. It is the chromium that makes stainless steels special, as the addition of this alloying element gives stainless steels superior corrosion resistance over many other products. Corrosion resistance is the main reason to use stainless steels, but other benefits that stainless steels have can also influence why they are selected. These include its aesthetic appearance, the ability to withstand temperatures ranging from cryogenic up to service temperatures in excess of 1000°C, the hygienic properties and the longevity of correctly selected materials in many environments. Over 200 commercially available stainless steels are obtainable in many different product forms that can assist engineers, designers, architects and doctors to overcome the problems in a sustainable and effective way.

Stainless steel are 100% recyclable at the end of the product's useful life; indeed their high value encourages recycling. This, in turn, lessens the environmental impact stainless steels by reducing both the need for new raw materials and the energy that their production uses. For example, the amount of stainless steel scrap currently being used reduces the energy required for stainless steel manufacture by around one-third over using 100% new raw materials.

Why is stainless steel so important to the UK economy?

Stainless steels are part a relatively small, but critical contributor to UK industry. Stainless steels only make up approximately 3% of the total consumption of stainless steel in the UK, approximately 300,000 tonnes per year.

Stainless steels are critical in our transition to Net Zero. Without the physical and mechanical properties of stainless steels many new green industries and technical advancements would not be possible. Stainless steels are paramount in hydrogen production and storage, carbon capture and tidal power generation to give some examples of new industry applications. Stainless steels are essential for the nuclear industry, whether that is development of Small Modular Reactors (SMR's) or in the decommissioning of aging nuclear power stations and storage of radioactive waste.

In the medical industry we use stainless steel through out hospitals and even as a material for medical implants.

Without stainless steels it would be impossible to develop many of the industries that the UK needs for our Net Zero ambitions whilst safeguarding our food and beverage production and protecting our health.

Stainless steels are the "safe" choice of material for medical applications and for our food and beverage industries. Stainless steels are easy to keep clean for all critical applications as they have a high resistance to cleaning agents, disinfectants and sterilising agents even pressurised steam. In the food and beverage industry stainless steel plays a vital role in the production and processing of many of our food cupboard staples. For over 70 years stainless steel has been used in the preparation, processing and transport of food products to ensure a high standard of quality. It does not affect the taste of food and drink.

The UK needs to support our stainless steel production and to ensure we have a robust supply chain. We have to develop career programmes that encourage talented individuals to join and remain within our industry and to increase the understanding of correct material selection for the application.

Making the Most of Stainless Steel



For further information on the BSSA and the stainless steel industry please contact us via the following link:

www.bssa.org.uk



CONFEDERATION
OF BRITISH
METALFORMING



STEVE
MORLEY
President



GERALDINE
BOLTON
Chief Executive

Giving an important voice to the metalforming industry

Just when manufacturers might have been expecting an easier twelve months after a tumultuous decade dominated by Brexit and the Covid-19 pandemic, a whole new set of challenges emerged.

Social distancing and face masks have been replaced with significant labour shortages, soaring inflation, and an unprecedented rise in energy prices that, in some cases, have seen costs rocket 400%.

Bills that were once £500,000 now come in just over £2m, with management teams scratching their heads on how to firstly pay for it, secondly how they can absorb the increase or, for the more fortunate, how they can work with customers to share the burden.



Despite all these hurdles, manufacturing continues to be resilient and forward-looking, none more so than the fastener, forgings and pressings, cold-rolled and sheet metal specialists – foundation sectors that are often referred to as the building blocks of the industrial base.

“These companies create components, fabrications and structures for many global OEMs and their supply chains and are heavily involved in new emerging markets around battery development, electrification, lightweight aviation and renewables,” explained Geraldine Bolton, who has been Chief Executive of the Confederation of British Metalforming (CBM) for more than 10 years.

“We are passionate about supporting this sector and currently support more than 200 members, helping them access technical expertise, share knowledge, collaborate on new innovations and, more recently in lobbying Government on key issues impacting their operations.”

She went on to add: “This has definitely accelerated in recent years, and we now have a strong presence on key industry taskforces and, importantly, a seat at the top table when talking to policy advisors and ministers.

“The sector deserves to have a stronger voice and we’re doing our best to make sure it has one.”

To get involved with The CBM, please visit

www.thecbm.co.uk

or email: melinda.jean@thecbm.co.uk



Recent wins

Steel safeguarding was one of the more pressing issues for our members, with many of them being forced to pay tariffs, in order to get their hands on the material they need to make their products.

For some time, it appeared that the Government was oblivious to the situation, with the quota agreed to protect UK Steel actually having a detrimental impact on the downstream supply chain - getting them to adjust levels was not an easy task.

Fronted by President Steve Morley, the CBM embarked on a concerted campaign to raise the profile of this issue and this was done in the corridors of Whitehall and importantly in the trade and national media, with CBM featured in more than 100 different publications.

This included the Financial Times, Telegraph, Politico, Reuters and on various BBC outlets, piling the pressure on to Ministers to do the right thing and increase the quota afforded to our domestic manufacturers.

"They eventually listened," pointed out Steve Morley, who has more than thirty years' experience in manufacturing.

"British steel mills have not been able to supply the Cat 12a materials our members need to support critical domestic and export supply chains, nor are they likely to be able to do so in the near future. So, what exactly were the Government looking to protect? It wasn't UK jobs in downstream metal manufacturing and that's what we pointed out."

He continued: "After numerous attempts to address the issue, the powers that be finally came up with a solution that worked, as well as it could ever do, for both parties. Little hope was given that we would reach this situation, so this was a big win."

The wins did not stop there, with the momentum from the steel safeguarding success helping to push the conversation around energy prices and ensure the concerns of companies – including our vital SMEs – were heard.

From the outset, the CBM provided clear evidence of the huge increases in energy costs that its members were facing and detailed how much the support scheme would cover.

However, even with the Energy Business Relief Scheme in place, many companies were struggling to survive, and in one case, there was a manufacturer who has saw energy costs rise from £1m to £4.5m and a turnover that remained relatively flat.

"How do you even begin to find an answer for that?" added Steve. "One way we can help is by working with firms to reduce their energy costs, but all the savings in the world aren't going to meet those price increases.

"In addition to the practical support, we have also kept our foot down on the lobbying and it was when the Government referred us to Ofgem that we quickly realised that the energy regulator did not cover non-domestic users – thus leaving our members with nowhere to go.

"We highlighted this to the Department for Business and Trade and also used our membership of the West Midlands Industrial Energy Taskforce – led by Mayor Andy Street – to include this, alongside the need for firms to have the ability to renegotiate locked-in, high-cost fixed energy deals, as two of the priority recommendations in its influential report.

"It was a huge win for us when Ofgem announced that guidelines have now changed and that they have more regulatory powers to deal with the brokerage market, not to mention closer collaboration between Government and industry to address some of the built-in flaws in the UK's complex energy markets."

The CBM's next focus of attention will be the Carbon Border Adjustment Mechanism (CBAM), an EU legislation and EU/Russian sanctions that could both have serious ramifications here in the UK.

Strong Year

The Confederation of British Metalforming has had a very strong year, with a 10% increase in membership, including the likes of BCW Group, Ricor Group, Pargate and Schneider Electric.

This reflects the growing profile of the trade body, its relationship with the UK Metals Council and its vast array of services that are supporting firms during these difficult times.

These range from access to the conference and meeting facilities of the National Metalforming Centre in the heart of the West Midlands and participation in major national surveys helping shape new degree level apprenticeships in Tool Process and Die Engineering.

Geraldine concluded: "It's a very exciting time to become a part of the CBM. We're continually listening to companies in our sector so that we reflect their different requirements, and this is seeing us become increasingly involved in innovation projects and accessing funding to develop new technologies.

"Our membership base employs over 40,000 people and a combined turnover of £4bn...that makes it an extremely important sector for our domestic economy."

A net zero future for metal castings – recycling to support the UK economy

The UK castings industry underpins the strategic national supply chains needed to support the UK's transition to a lower carbon economy, whilst also playing a key role in the circular economy for metals. No modern economy can survive without castings but the industry needs support to transition.

Our foundry members specialise in near-net-shape, precision finished components and assemblies in all sizes, volumes, cast weights, metal alloys & processes, for UK & international markets, with production facilities in the UK, melting metal in furnaces at temperatures ranging from 700-2000°C.

Casting is a key part of the circular economy for metals - the industry routinely uses secondary raw materials to help lower final product carbon footprint.

UK foundries know how to compete internationally and can be part of the solution, delivering lower carbon components (due to the relatively lower embedded carbon derived from the use of secondary raw materials) to strategic supply chains, such as aerospace, automotive, defence, marine, medical and power generation, including components needed for greener technologies.

The industry wants to be part of the solution for the UK, making use of recycled metal to produce locally sourced components and leading the way in the supply of lower carbon, cast metal components and finished products.

Most of our foundries already use electricity for melting which, if from sustainable sources, means an even lower carbon footprint for the resulting components. But there is still a requirement for natural gas and the transition to alternative fuels will be challenging, with capital investment cycles for foundries typically being relatively long.



Support for UK manufacturing is required for the low carbon transition and to avoid carbon leakage.

UK Government needs to create a stable policy environment that focuses on reforming energy markets and providing clean energy at a globally competitive price, with rapid and sustained investment in the UK energy infrastructure for electrification.

The provision of incentives for capital investment in zero carbon furnaces and production equipment that are as accessible for companies of all sizes. Enabling planning reforms would allow sites to invest in new production facilities, to enable companies to optimise and maximise the benefits of on-site energy generation.

UK trade policies should support customer demand for low carbon products for global markets, to prevent substitution by higher carbon, less recyclable alternatives. Making things locally makes economic sense – the sector has the opportunity to grow significantly.



Being competitive depends on having skilled employees.

The continued competitiveness of our sector requires there to be a skills strategy that enables companies to source relevant training, something that is particularly challenging for niche sectors with specialist skills requirements. We ask for more flexibility around the use of the apprenticeship levy to upskill employees. Providing specialist skills requires specialist equipment and tutors - most providers don't have these, particularly for smaller learner cohorts – this is a real challenge for our industry.

A partnership approach with a significant economic and carbon dividend.

By working together, the trend of the industry drifting offshore can be reversed and inward investment encouraged, supporting the transition to a vibrant, net zero foundry sector as part of national industrial decarbonisation.



For more information, please visit:

www.castmetalsfederation.com



GALVANIZERS ASSOCIATION

Galvanizers Association is the representational body for the hot dip galvanizing industry in the UK and Ireland. The Association has provided authoritative information and advice on hot dip galvanizing to users and potential users since it was first established in 1949. Hot dip galvanizing makes a vital contribution to the sustainable growth of the economy, protecting the huge investment provided by industry across a wide range of sectors year-on-year.

THE HOT DIP GALVANIZING INDUSTRY

The industry, comprises more than 50 galvanizing facilities, spread geographically across all the regions of the UK and Ireland, providing thousands of jobs to local communities, delivering high quality, long-term, sustainable corrosion protection to a huge variety of fabricated steel articles and by doing so preserves the valuable infrastructure of the country. Galvanized steel is widely used in applications and sectors where corrosion protection of steelwork is needed, e.g., construction, the road and rail environment, agriculture, utilities, offices and buildings and many others.

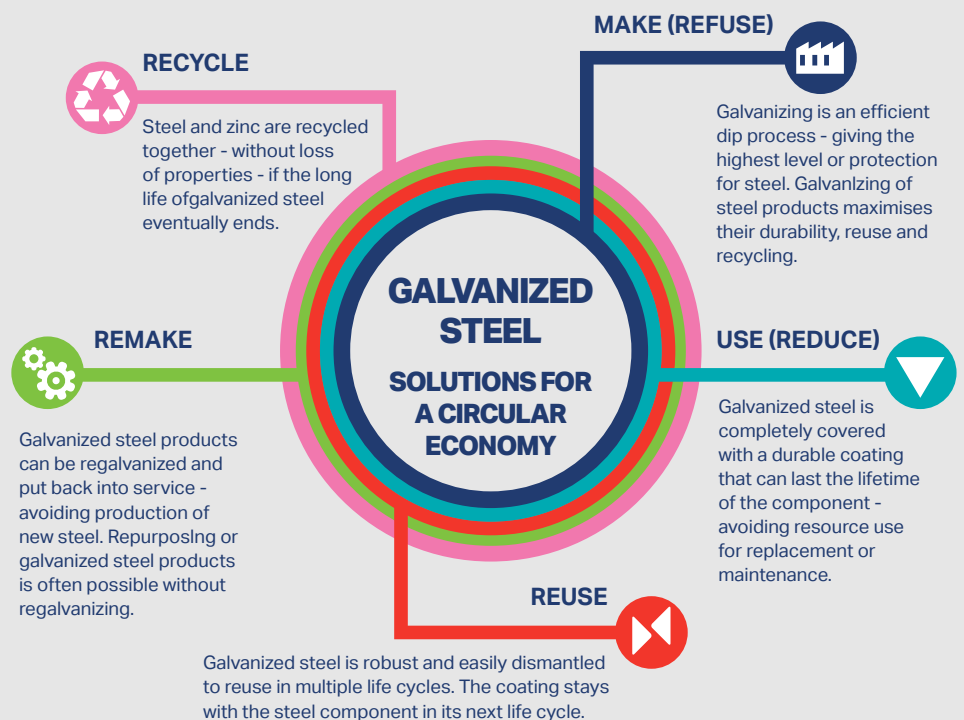
THE HOT DIP GALVANIZING PROCESS



Hot Dip Galvanizing is a unique process. When clean steel is immersed into molten zinc, a series of zinc-iron alloy layers are formed by a metallurgical reaction between the iron and zinc, providing a robust coating which is an integral part of the steel. Hot dip galvanizing offers coverage both externally and internally within hollow sections, it self-repairs when damaged, sacrifices itself to protect the base metal, is environmentally sustainable, has good impact and abrasion-resistance and a maintenance-free life of 70 years or more is not uncommon.

SUSTAINABILITY AND THE CIRCULAR ECONOMY

Hot dip galvanized steel structures and components are ideal circular materials. The galvanizing industry in the UK and Ireland welcomes the increasing focus on the creation of a circular economy and embraces flexible design for durability, deconstruction, and disassembly. Galvanized steel readily facilitates the reuse, re-manufacturing or recovery of materials.

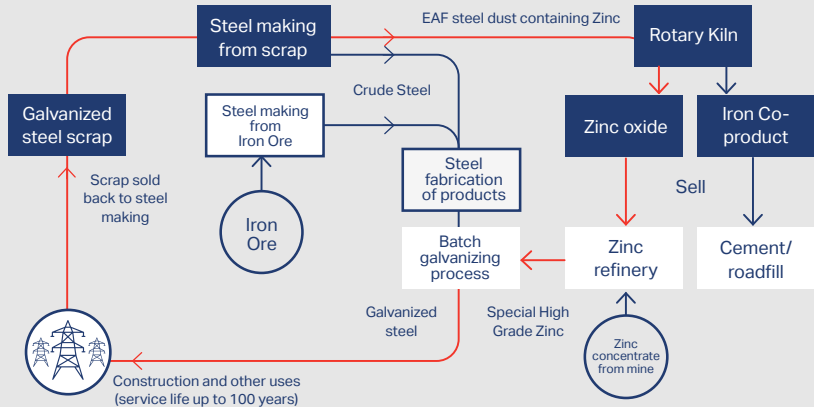


If a material system was specially designed for the circular economy, hot dip galvanizing would be a perfect example:

- Hot dip galvanizing of steel products after fabrication delivers the highest levels of corrosion protection – the steel structure will often achieve its design life with no maintenance.
- The galvanized coating can follow the steel structure through multiple cycles of reuse.
- Galvanized steel components that have reached the end of their design life, or are uninstalled for any other reason, can be re-galvanized and returned to the original use.
- If the re-use cycles come to an end, both steel and zinc are recycled together in the well-established steel recycling processes with the zinc being returned, without loss of properties, to zinc production plants and eventually back into the galvanizing process.
- Galvanized coatings are bonded to the steel – allowing the steel product to be reused along with the original coating without need for recoating.



Recovery of zinc from galvanized steel, without loss of properties, after many decades of service



NET ZERO

Businesses within the industry are committed partners in making the transition to a sustainable, net zero, circular economy. Companies are actively engaged in the assessment of their existing carbon footprint, goal setting and planning for reductions in carbon going forward, working with their supply chain partners as necessary.

GOVERNMENT POLICY

The prevailing operating environment will have an impact on the opportunities that emerge allowing industry to meet climate change challenges. In this regard national, regional and global markets, heavily influenced by individual Governmental policies, have a critical role to play in providing the right conditions within which companies can develop and deliver the innovative solutions needed to meet broader long-term national goals.

In order to maximise the benefits of the use of hot dip galvanized steel in fulfilling the national goal for action on climate change, delivering a positive transition to a more circular, sustainable, net zero economy, Government must however address a number of key issues as a matter of urgency.

Consistent and stable long-term policy – it is important that businesses have a more stable long term regulatory and economic framework within which companies can plan and execute development and investment initiatives. The political cycle is too short and policy changes too frequent to support adequate long-term planning.

Skills – The Apprenticeship Levy needs to be adjusted and made more flexible in application for use by largely SME-based businesses, with key or niche skills requirements (evidenced by many in the metals sector). Broader support and higher levels of funding for Level II and Level III apprenticeships is required to maintain a healthy foundation industry. For metal

finishing in general – and hot dip galvanizing in particular – the UK Immigration System of classification needs adjusting to recognise the skill requirements of personnel seeking to join the industry enabling industry to fill vacancies where local supply is not possible.

Energy – As for most metals-related businesses, energy costs remain stubbornly high for the sector. UK businesses pay more for energy than many of their competitors in continental Europe and beyond. This undermines industry’s competitiveness. The transition from the EBRS to the EBDS has effectively left some sectors (such as hot dip galvanizing) with very little support from Government going forward. In addition, the limitations on action by Ofgem towards ‘bad actors’ in the (commercial) energy supply chain, prolongs and exacerbates the burden of higher than necessary energy costs on the sector. Additional, time-limited, better targeted support is needed.

Public procurement – Contracts awarded for projects of public interest should recognize the holistic benefits of local supply and focus much more on inclusion of contributions from manufacturing and construction sourced from within the UK. Too many of recent high-profile projects have included Joint Venture partnerships where the finance / insurance was sourced from within the UK but much of the manufacturing / construction elements were allocated from overseas sources (HS2, North Sea windfarms for example).



The hot dip galvanizing industry remains a pro-active and positive partner keen to continue working with our supply chain partners, Government and other stakeholders to maximise the potential this necessary, and urgent, transition to a more sustainable, circular, net zero economy presents and to help deliver an environment fit for future generations.

For more information, please visit:

www.galvanizing.org.uk

WILLIAM J SMITH
 Director
 Galvanizers
 Association



Metal
Packaging
Manufacturers
Association

MPMA

THE VOICE OF UK METAL PACKAGING

The Metal Packaging Manufacturers Association is the Trade Association and lead voice of the UK metal packaging industry, working with its members to influence and shape key issues impacting our sector and their businesses.

MPMA supports and represents members' interests on industry matters related to operational, regulatory and environmental issues.

In addition, the work of the Association promotes the benefits of metal packaging and the sustainable attributes of steel and aluminium through education programmes, industry awards and relevant communication channels. MPMA also operates three consumer facing organisations promoting beverage cans, DIY and craft products and canned food.

The MPMA is run by a small management team which operates through committees and working groups made up of representatives from member companies, and reports to a members' Council.



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UK STEEL

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The steel industry is the bedrock of the UK's supply chains and is central to our economic resilience and national security. Steel, with its infinite recyclability, is also an essential component of a circular economy, generating thousands of green jobs and powering the decarbonisation of other sectors too. It is crucial to the technologies of the green economy, such as wind turbines, solar panels, electric vehicles, and hydrogen infrastructure.

However, the industry is facing some of the biggest challenges in its history, from energy and climate change to shielding industry from trade diversion. The sector has proposed a partnership with Government to meet 2050 Net Zero targets, where industry invests in new green production methods and Government removes barriers and offer co-financing, similar to the North Sea Transition Deal.

ENERGY, ENVIRONMENT & CLIMATE CHANGE

The UK Steel industry can lead the world in hitting Net Zero by 2050, if the right business environment is created through removal of policy barriers.

UK Steel had several policy wins this year, including the government's British Industry Supercharger, which would lower industrial electricity prices. We are now pressing for all the Supercharger policies to be brought in by April 2024, to ensure the measures benefit the industry as soon as possible and enable investment in new electro-intensive production.

However, reforms to the UK Emission Trading Scheme could reduce free allowances from 2026 onwards, increasing the carbon costs for steelmakers and damaging their competitiveness. The industry is very concerned that carbon costs could rise so significantly that it would lead to deindustrialisation.

A UK Carbon Border Adjustment Mechanism could minimise these risks, if implemented in line with the EU's CBAM policy. This regulation would balance the carbon costs that UK steel producers go through by imposing costs on imported steel that does not experience domestic carbon costs, creating a level playing field.

Significant increased use of scrap is expected to be a crucial pillar in a decarbonised steel industry, and the strategic use of scrap resources will therefore be covered in a new UK Steel report this autumn. Scrap is a critical resource in the move to Net Zero targets as a key component of steel production. Solutions need to be found that encourage better sorting of high-quality scrap, that is available to the UK market. We have a responsibility to retain critical raw materials, rather than export them to countries with lower environmental and ethical standards. As more steelmakers are converting to Electric Arc Furnace-scrap production, scrap is expected to become a critical raw material, with supply becoming more sought after. It is therefore essential that the UK retains its scrap in the UK for domestic production, rather than exported alongside the added value, jobs, and economic benefits of remelting it in the UK.



BUYING UK STEEL HERE IN THE UK

As well as trade, core to the industry's long-term viability is supplying to our domestic market. The Government's latest steel pipeline data predicts that publicly-funded projects will use 8.1Mt of steel over the coming decade.

A central regulation change, the improved Public Procurement Note for Steel, has helped to clarify sources of steel in this pipeline. It cites that all public procurement of steel must identify where the product was 'melted and poured'. Current stats show that at least 20% of projects funded by the taxpayer over the past year reported to have used imported steel that could have been made domestically.

UK Steel is also advocating for ministers to raise awareness of the new Public Procurement Notice for Steel across all Government departments and public bodies that oversee publicly funded construction projects. We are stepping up to build knowledge, meeting with government officials, expanding the UK Steel Charter campaign and working to develop our network with metro mayors and local authorities.

TRADE

Robust trade defence is essential to ensure a level playing field for UK steel producers in a global market riddled with subsidies and distortions.

UK Steel has secured the maintenance of key anti-dumping and safeguarding measures in the UK that were transitioned from the EU post-Brexit and will be working to maintain UK steel safeguards until June 2026. UK Steel has also been active in reshaping the UK's trade remedies framework, to provide greater flexibility for ministerial intervention in deciding whether a trade defence measure is in the economic and public interest of the UK.

On trade with Northern Ireland, steelmakers experienced many challenges with arrangements causing businesses to pay tariffs when moving steel within the UK because of other countries filling up EU safeguard quotas with their exports. Following petitioning from UK Steel, UK and EU governments have agreed a workable solution to account for GB to NI trade within the safeguard mechanism.

UK Steel has also been working with Government to strengthen sanctions on Russian steel and prevent circumvention via processing in third countries. Sanctions on all steel that has been melted and poured in Russia will be taking effect from September 2023 in line with the equivalent measures in the EU.



For any further information, please contact:

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TWI is a membership based organisation that supports companies and individuals alike by providing authoritative and impartial expert advice, knowhow and safety assurance through engineering, materials and joining technologies.

Our experts work across industry to help our Members design, create and operate the best products possible.

TWI is descended from the British Welding Research Association (BWRA), but have grown to encompass more than welding, including innovation, knowledge transfer and problem resolution across all aspects of welding, joining, surface engineering, inspection and whole-life integrity management.

We have grown to become one of the world's foremost independent research and technology organisations, delivering engineering consultancy services and knowhow. Because we are independent and impartial, our Members trust us to deliver the best solution for them on a case-by-case basis, drawing upon our knowledge and expertise from across industry.

Our integrated approach to joining, inspection and material implementation embraces everything from research and development, specification and prototyping, to commissioning, installation and training, with services including:

- **Accelerate uptake / de-risk introduction of new technology for products or assets**
- **Manufacturing process acquisition support programmes**
- **Access to state-of-the-art welding, joining, coating, additive and inspection systems**
- **Process technology innovation**
- **Design and engineering for optimum performance**
- **Design-material-process review and optimisation**
- **Standard and bespoke testing facilities – fracture, fatigue, corrosion, analysis and Hydrogen**
- **Assistance to improve your existing processes and production**
- **Product and process review, troubleshooting and optimisation**
- **Auditing and certification**
- **Establish fitness for service of your structures and assets**
- **Engineering critical assessment, (risk-based) inspection and condition/structural health monitoring**
 - **Understand causes and mitigate failures**
 - **Rapid failure analysis**
 - **Repair procedure development and application**
 - **Expert witness/litigation support**
 - **Understanding and application of codes and standards**
 - **Expertise in national and international standards**
 - **Presence on code/standard governing bodies**
 - **Staff training and development**
 - **Multiple training programmes and certified courses**
 - **Bespoke training by technology providers**
 - **Professional career progression (via The Welding Institute)**



We are proud of our long association with UKMC, and look forward to supporting the strategic ambitions of the UK metals sector, both technically and commercially.

For more information, please visit:

www.twi-global.com

Following a successful launch in 2022, UK Metals Expo has undergone an impressive expansion, solidifying its position as the leading event that brings together the entire metals supply chain with the engineering and manufacturing sectors.

From primary metal manufacturing to supply chain management, metal processing, fabrication, machinery, engineering, surface coatings, and recycling, the event stands as a one-stop destination for professionals seeking to navigate the swiftly changing industry landscape.

Drawing participation from more than 200 exhibitors representing 14 countries, featuring 130 industry leaders, experts, and practitioners, and attracting over 4,000 professionals from 52 countries, UK Metals Expo is a convergence of minds, a showcase of innovation, and a business hub for both international and domestic growth for the sector.

The Metals Expo aligns perfectly with the UK's pursuit of Net Zero, depending as it does on advanced materials, manufacturing excellence, and engineering innovation. A robust domestic metals supply chain is pivotal in realising our Net Zero objectives whilst driving energy-efficient production, nurturing circular economy practices, and propelling sustainable advancements.

UK Metals Expo aims to foster collaborations and signpost the way to get there. Our close partnership with the UK Metals Council, and its 13 affiliated trade associations, serves as a cornerstone in leveraging collective wisdom and expertise that spans the entire supply chain. This strategic alliance empowers us to confront challenges head-on and lead the way in pioneering innovative solutions.

Developing strategic partnerships and global networks remains critical in unlocking the immense potential of the UK metals industry. As a catalyst for invaluable collaborations that transcend geographical boundaries, the Metals Expo serves as a gateway to new markets and customers, thereby extending the industry's impact.

To ensure that the event aligns with the future focus of the UK Metals Council and continues to optimally serve the UK's metal industry, we've conducted and publicised this inaugural large-scale survey. The survey's outcomes will manifest as improved and relevant speakers, exhibitors, and networking opportunities continue to be an integral part of this and future events.

Please come and talk to me about how YOUR event can best serve YOUR industry. I look forward to meeting you in September.

Lord Rupert Redesdale



For more information, please visit:

www.ukmetalsexpo.com

Ensuring that UK Metals Expo serves the industry





www.ukmetalscouncil.org