

Vaughan Gething AS/MS
Gweinidog yr Economi
Minister for Economy

Ein cyf/Our ref: WQ89106

Janet Finch-Saunders MS
Welsh Parliament

2 October 2022

Dear Janet,

I am writing to response to **WQ89106**: What steps is the Welsh Government taking to move Wales towards greener methods of steel production, following the announcement of £500m of UK Government investment into TATA Steel at Port Talbot?

The Welsh Government's commitment to supporting a future for green steelmaking in Wales predates the recent joint Tata Steel UK (TSUK) and UK Government announcement.

Following the announcement, the Welsh Government will work with all parties to understand how we can further support the transition proposals of Tata Steel.

Last year we established Net Zero Industry Wales (NZIW) which is supporting Welsh Government to champion our industrial assets on the net zero pathway. Both Tata Steel and Celsa are involved in NZIW.

Swansea University's Steel and Metals Institute (SaMI) was established in 2018 with over £2 million of Welsh Government funding. This has enabled the University's research team to grow and win further project funding such as the £35 million SUSTAIN project, which brings together academic and industrial steelmaking expertise to develop and implement new techniques and technologies to support the decarbonisation of the UK steel industry.

Steel companies in Wales have engaged with a number of Welsh Government supported innovation programmes relevant to reducing industrial carbon emissions, including the Blockchain Challenge scheme which aims to demonstrate the potential of blockchain, by bringing together innovators and industry to collaborate on projects around the themes of the circular economy, decarbonisation, supply chain and digital identity.

Our Welsh Procurement Policy Note 'WPPN 01/21: Sourcing steel in major construction and infrastructure projects in Wales has been strengthened to further align with the UK Steel Charter, by encouraging projects in Wales to source and benefit from high quality British steel wherever possible. The Welsh Government is undertaking work exploring further options to help create a level playing field for steel producers through public procurement.

We recognise the important role skills will play in delivering Net Zero Wales and we continue to provide significant investment through our flagship apprenticeship programme to Welsh steel companies. Our Net Zero Skills Action Plan, launched in February 2023, sets out a range of actions that aim to support the future skills in Wales. We will shortly be announcing the launch of a public consultation, a key action of the plan, that aims to capture and understand in more detail the skills that will be essential to support the immediate and future

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

workforce needs of our headline sectors. We recognise the important of growing a skilled workforce and a number of programmes are already supporting the skills needs, these include Personal Learning Accounts and the Flexible Skills Programme. Both aim to support individuals and employers to upskill which in turn will help drive this agenda forward in Wales.

We are working to maximise the economic opportunity to Wales from offshore wind projects in both UK and Irish waters. I have announced over £500,000 of funding towards supporting trade bodies such as Marine Energy Wales and supply chain development cluster activity undertaken by the Celtic Sea Cluster and Offshore Energy Alliance. Supply chain activity also sits at the centre of the Manufacturing Action Plan, we will shortly be undertaking work to map supply chain mapping covering offshore wind.

Many of the powers that have a significant influence in the transition to net zero, including energy prices, the regulation of energy networks, hydrogen and carbon capture utilisation and storage business models, are reserved to the UK Government. We will continue to work with the UK Government to maximise opportunities arising for Welsh industry and business from UK level initiatives including the Industrial Energy Transformation Fund (IETF).

Yours sincerely

A handwritten signature in black ink that reads "Vaughan Gething". The signature is written in a cursive, flowing style.

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