OXFORD ECONOMICS

APRIL 2026

THE SOCIOECONOMIC FOOTPRINT OF BRITISH STEEL IN THE UK

A REPORT FOR BRITISH STEEL BY OXFORD ECONOMICS

BRITISH STEEL

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CONTENTS

APRIL 2026

FOREWORD

The British Steel works in Scunthorpe and on Teesside have been making iron and steel for over 150 years. We employ over 4,000 talented people at seven sites across Yorkshire & the Humber, the North East and around the country.

We produce high quality products used in everything from tyres to ships. The iron and steel that comes from our blast furnaces and steel mills has built famous skylines across the globe including London, New York, Hong Kong, Istanbul and across the Middle East, as well as international stadiums and airports. It has kept our trains running, constructed our bridges, underpinned giant yellow earthmoving machinery, and is used by millions of people every single day.

British Steel is an iconic global brand in steelmaking with a reputation founded on quality and technical knowhow. The awe-inspiring structures built around the globe using our steel are a daily reminder of the importance of British engineering and manufacturing on the world stage and are testament to the skills and ingenuity of our workforce both past and present.

Our position as the UK's largest steel producer and last remaining primary producer means we are strategically important in the delivery of new infrastructure and of economic growth across the UK. As this report shows, our operations contribute over £1bn to the country's economy, and support tens of thousands of jobs in our supply chain. In Yorkshire and the Humber alone, our upstream operations contribute £448m to UK GDP, with other significant contributions across the North.

But we are more than just an economic driver – we deliver. We deliver well-paid jobs where they are needed most. Our sites are located in some of the most deprived areas of the country, providing crucial employment in our communities. We also spend in the places that most need it. Nearly half (48%) of all our procurement spending in England is with businesses based in the 20% most deprived parts of the country, and 94% of our UK suppliers are SMEs – supporting some 8,140 jobs in SME's across our supply chain.

It doesn't stop with our suppliers either. Figures in this report show that our activities enabled an additional £9.8bn downstream contribution to the economy, supporting 142,000 jobs and £2.6bn worth of tax. From building our buildings to laying our rails, British Steel is at the heart of keeping our country going.

This report demonstrates why steelmaking in the UK matters. It matters for our economy, it matters for our growing infrastructure, it matters for our national security, it matters for our standing on the global stage, but above all it matters for the people in our communities and across the country. Steelmaking has an extraordinary reach both downstream and upstream across multiple supply chains and therefore many thousands of people and their families depend on us. We are proud of our role in supporting the jobs, industries and infrastructure the country relies on.

We are at an important moment for our industry. Despite the many economic and political headwinds, the potential to transition to a low carbon steelmaking future not only provides one of the most significant decarbonisation opportunities in the entire UK national interest but also creates a unique opportunity to modernise and regenerate our industry, delivering a truly sustainable future our people and for the communities who depend on us. We have the knowledge and the expertise, and with the right set of government policies and investment, a healthy and prosperous steel industry is most certainly within reach.

Steelmaking in the UK matters. We have been contributing to the prosperity of the UK for 150 years, and we are ready to do so for another 150.

Allan Bell
Interim Chief Executive Officer, British Steel

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BRITISH STEEL

A NATIONAL ASSET: BRITISH STEEL'S REACH ACROSS THE UK ECONOMY

BRITISH STEEL'S UPSTREAM ECONOMIC FOOTPRINT

We estimate British Steel's operations (its **direct** impact), its upstream spending with domestic suppliers (**indirect** impact), and the wages spent by employees and those in the supply chain (**induced** impact) supported...

UK GDP CONTRIBUTION[1]

TOTAL

£1.1bn

- £0.2bn
- £0.6bn
- £0.4bn

For every tonne of steel sold, British Steel supported an estimated **£500 total contribution to GDP**[2]

1 TONNE — £500 contribution to GDP

Total tax stimulated equivalent to the annual wages of over **10,000 nurses.**

UK JOBS SUPPORTED[1]

TOTAL

20,200

- 4,568
- 10,100
- 5,540

4.4x EMPLOYMENT MULTIPLIER

For every **100 workers** directlyemployed by British Steel, its spending on inputs and wages is estimated to have supported a further **340 jobs** across the UK.

SUPPORT FOR UK SUPPLIERS

£690m spent with over **1,400 UK suppliers**

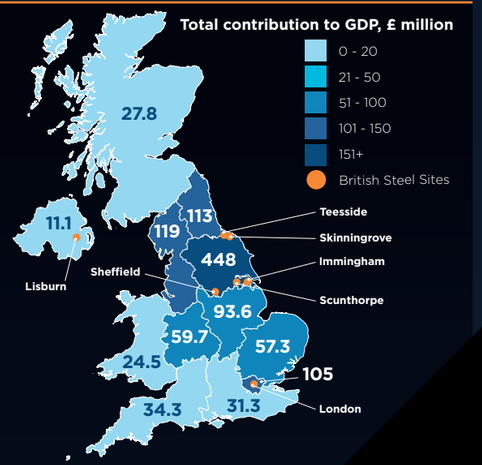
£1 in every £2 of supplier spend in England was with businesses in the **20%** most deprived areas in the nation.

...including SMEs

Over one-third—or **£250 million**—of UK supplier spend with UK SMEs.

8,140 jobs supported in SMEs—40% of British Steel's total employment impact. And a **£0.5 billion** total contribution to UK GDP across SMEs (44% of GDP impact).

POWERING THE REGIONS

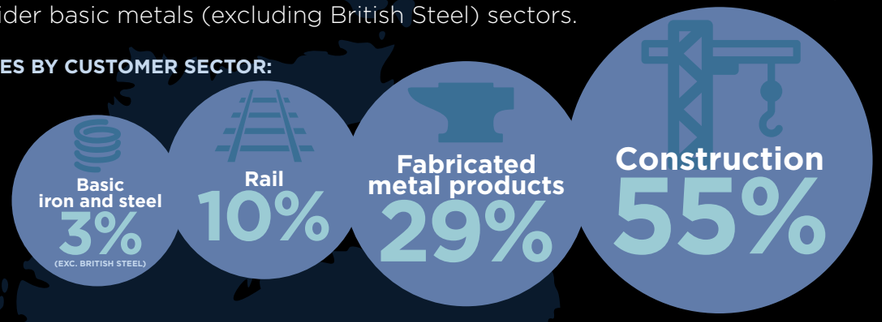


British Steel supports economic activity across every region of the UK, and more than **60%** of its upstream GDP contribution was concentrated in the North of England.[3]

DOWNSTREAM FOOTPRINT ACROSS KEY CUSTOMER SECTORS

Some **97%** of British Steel's UK sales were to the UK's construction, rail, metal products, and wider basic metals (excluding British Steel) sectors.

UK SALES BY CUSTOMER SECTOR:



Given steel's role as a key intermediate input in each customer sector's production, it is estimated this potentially enabled a further...

UK GDP CONTRIBUTION

£9.8bn **customer-related downstream total contribution to UK GDP**

equal to **0.4%** of UK GDP

- £5.0bn
- £2.3bn
- £2.5bn

£2.6 billion customer enabled **tax stimulated**

UK JOBS SUPPORTED

142,000[1] **customer-related downstream jobs**

equal to **0.4%** of UK's workforce

- 65,900
- 37,600
- 38,300

An estimated **1 job enabled** by British Steel per **8 tonnes of steel** sold to the four customer sectors in the UK[6]

8 TONNES

IMPACTS BY KEY CUSTOMER SECTOR: [1,4]

CONSTRUCTION[5]:

£6.0bn contribution to GDP

79,200 jobs

RAIL:

£1.5bn contribution to GDP

26,700 jobs

FABRICATED METAL PRODUCTS:

£2.3bn contribution to GDP

34,800 jobs

BASIC IRON AND STEEL (EXC. BRITISH STEEL):

£0.1bn contribution to GDP

1,100 jobs

All values in this infographic relate to 2021.

1 Figures do not sum due to rounding.

2 This is calculated by dividing the £1.1 billion total contribution to GDP by the 2.3 million tonnes of steel sold in 2021.

3 North of England is the aggregate of Yorkshire and the Humber, the North East of England, and the North West of England.

4 The share of the key steel-using sectors' total economic impact that is potentially "enabled" by British Steel's role as an intermediate input into each customer sector's production process. The customer sectors' "total impact" here excludes the indirect impact of purchasing from British Steel, and the indirect impact of transactions between the customer sectors. British Steel's share of each customer sector's direct footprint was calculated by dividing each sector's purchases from British Steel by their total steel and alternative inputs, including imports.

5 Excluding rail.

6 This is calculated by dividing the 1.2 million tonnes of steel sold to the four customer sectors in the UK by the 142,000 total estimated downstream employment contribution in 2021.

SECTION 1: INTRODUCTION

> “Making steel in the UK is vital for national security, critical infrastructure and the wider economy. Steelmaking is a cornerstone of our modern industrial policy that deliberately focuses support for key industries, technologies, and strategically important sectors.[4]”
>
> **Peter Kyle MP,**
> **Secretary of State for Business and Trade**
> **19th March 2026**

1.1 INTRODUCTION TO BRITISH STEEL

British Steel has played a longstanding role in the UK steel industry and is now the UK’s largest steel producer and last remaining primary producer. British Steel’s headquarters and steel-making sites are in Scunthorpe, with steel rolling mills in Scunthorpe, Teesside and Skinningrove, as well as its R&D facilities at the Advanced Manufacturing Park in Sheffield. The company also has steel services centres across Teesside, Skinningrove, and Lisburn, providing processing, cutting, shotblasting, painting and just-in-time delivery services for its customers, and Raw Materials procurement operations in London.

Steel is embedded in a broad range of goods and applications used in everyday life and modern technologies. It is used to create the nation’s railway tracks, in the construction of buildings and infrastructure, for automotive and aerospace manufacturing, the production of everyday consumer goods, and in the construction of power transformer capacity in the transmission and distribution sector.[1] The UK government identifies that a country’s ability to produce steel is not only important for national security, but also plays a vital role in supporting economic development and sustainability across the UK’s construction and advanced manufacturing industries.[2,3]

Alongside its role as a primary UK steel producer, British Steel also plays a vital role in the knowledge economy through collaboration with universities, early-careers researchers, and UK research networks, such as the UK Rail Research and Innovation Network, to support wider industrial innovation within the sector itself, and the wider manufacturing sectors it supplies.

The UK steel sector has experienced economic and political challenges in recent years, risking the long-term future of the industry.[5] **However, despite recent challenges, future demand for steel remains optimistic underpinning the economic need for steelmaking in the UK.** Total UK steel demand is expected to grow by 55% by 2050.[6] This is driven by anticipated demand upticks from both traditional steel uses, such as construction and infrastructure, as well as from emerging sectors requiring steel, such as solar and wind power, nuclear reactors, hydrogen storage, data centres, and power transmission and distribution, all requiring products within the technical capability of UK producers.[7]

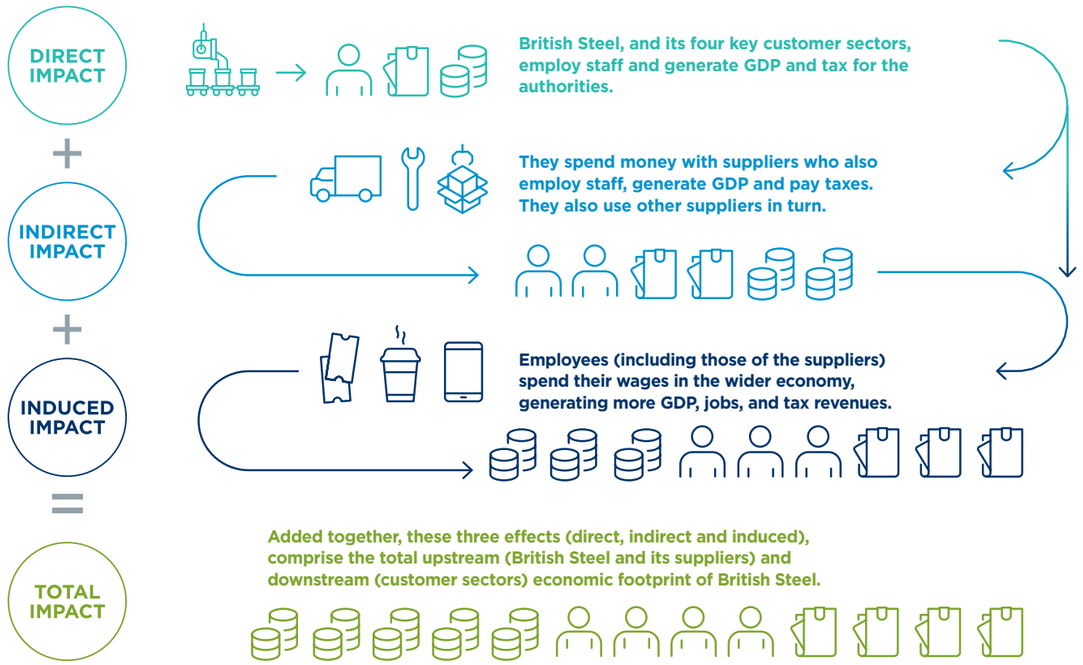
This report, commissioned by British Steel, quantifies the upstream socioeconomic footprint of British Steel and its supply chain across the UK in 2021. It also estimates the downstream footprint of key customer sectors potentially “enabled” by British Steel’s products. The 2021 calendar year was chosen as the year when production and normal market conditions were deemed most reflective of current and future steady state operations on a near-full production basis.

1 Gov UK. 2025. Department for Business & Trade. The steel strategy: the plan for steel. Available at: https://www.gov.uk/government/consultations/input-into-the-steel-strategy/the-steel-strategy-the-plan-for-steel
2 Gov UK. 2025. Department for Business & Trade. The steel strategy: the plan for steel. Available at: https://www.gov.uk/government/consultations/input-into-the-steel-strategy/the-steel-strategy-the-plan-for-steel
3 Gov UK. 2026. Steel Industry (Special Measures) Bill 2025: final impact assessment. Available at: https://assets.publishing.service.gov.uk/media/697112577e827090d02d431b/steel_industry_special_measures_bill_impact_assessment.pdf
4 Gov UK. 2026. Press release: UK steel industry backed by major new trade measure and strategy. Available at: https://www.gov.uk/government/news/uk-steel-industry-backed-by-major-new-trade-measure-and-strategy
5 Gov UK. 2026. Steel Industry (Special Measures) Bill 2025: final impact assessment. Available at: https://assets.publishing.service.gov.uk/media/697112577e827090d02d431b/steel_industry_special_measures_bill_impact_assessment.pdf
6 Gov UK. 2026. Department for Business & Trade. UK steel strategy demand assessment. Available at: https://www.gov.uk/government/publications/uk-steel-strategy-demand-assessment
7 Gov UK. 2026. Department for Business & Trade. UK steel strategy demand assessment. Available at: https://www.gov.uk/government/publications/uk-steel-strategy-demand-assessment

1.2 HOW BRITISH STEEL SUPPORTS THE ECONOMY

We assess British Steel's footprint using an economic impact assessment framework, measuring the **direct** channel (British Steel's own operations), the supply chain or "**indirect**" channel, and the wage-**induced** channel. This upstream economic footprint analysis also measures how British Steel supported prosperity in the communities where it operates. Namely, by mapping its direct operations and procurement to areas of deprivation, as well as estimating the impact supported across SMEs. We also consider its role in enabling activity across key customer sectors (the downstream economic footprint).

Fig. 1: Economic footprint assessment framework



Source: Oxford Economics

SECTION 2:
BRITISH STEEL'S DIRECT SOCIOECONOMIC FOOTPRINT

2.3 million tonnes
of steel produced and sold by British Steel's UK operations in 2021.

Seah Wind facility in Teesside—30,000 tonnes of British steel supplied.

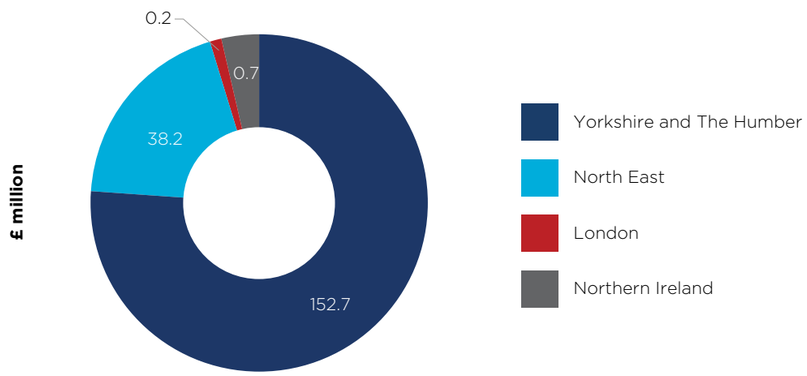
British Steel operates seven sites across the UK, including major production facilities and downstream processing operations. These sites employ steelmakers, ironmakers, manufacturing teams, engineers, technical specialists, and wider functions including sales and marketing, finance, HR, and supply chain, whose expertise underpins the company's ability to produce steel and market steel products to customers in the UK and internationally. This section sets out British Steel's direct economic footprint, alongside an assessment of the social footprint of its direct operations.

2.1 DIRECT CONTRIBUTION TO GDP

With 2.3 million tonnes of steel produced and sold by British Steel's UK operations, the company generated £1.5 billion in turnover in 2021. Just under 60%—or £842 million—of these revenues were earned from sales to customers throughout the UK. The remaining £623 million was sold overseas, equivalent to 8% of UK basic metal manufacturing exports in the same year.

British Steel directly contributed an estimated £192 million to UK GDP in the same year.[8] Around 80% (£152.7 million) of the direct contribution was generated in Yorkshire and the Humber, the location of its three largest sites. The remainder was distributed across the regions where its other operational sites are located, including the North East (£38.2 million), Northern Ireland (£0.7 million), and London (£0.2 million).

Fig. 2: British Steel's direct contribution to GDP, by region



Source: British Steel, Oxford Economics

8 Typically, the direct GDP contribution is comprised of profits, total employment costs (including wages and other costs such as social security contributions), and business taxes. However, since British Steel profits were negative in 2021, this impact was driven by employment costs and business taxes, with the profits measure acting as a modest drag.

2.2 DIRECT CONTRIBUTION TO EMPLOYMENT AND GOVERNMENT REVENUES

British Steel is a long-standing manufacturing employer, with 4,568 people directly employed across its seven sites in 2021.[9] Over three-quarters of British Steel's employees were based in Scunthorpe, home to British Steel's headquarters and its steelmaking operations. The rest of British Steel's employees were located throughout the steelmaking and distribution process, including 936 employees based at its steel rolling mills across Teesside (572) and Skinningrove (364), 92 at its Bulk Terminal in Immingham, and the remaining 35 employees across British Steel's sites in Sheffield, Lisburn, and London.

The company's direct employees work across the production and distribution process. Over 40% of British Steel's employees (1,814) work in steelmaking or ironmaking roles. A further one-third of employees (1,552) in steel rolling mill roles, followed by engineering (276; 6% of the workforce), energy and infrastructure (191; 4%), production management (174; 4%), human resources (124; 3%), and technical (129; 3%) roles. The remaining 308 employees work across various sales and wider business support functions.

British Steel's sites in England are in some of the most deprived areas of the country, providing crucial employment opportunities for local workers. For instance, Redcar and Cleveland local authority (where the Teesside and Skinningrove sites are located) falls into the 25% most deprived local authorities of England, as measured by the English Index of Multiple Deprivation.[10] These two sites, together with its operations in North Lincolnshire (Scunthorpe and Immingham) accounted for one-in-five manufacturing jobs in their respective local authorities in 2021.

The company also supports early careers in the North of England. In 2021, British Steel employed 158 apprentices, representing 3% of its workforce. Of its engineering apprentices, 39 were based at British Steel's Scunthorpe site. A further 20 apprentices were based at the Northern Mills sites across Redcar and Cleveland.[11] The company's commitment to the development of young people should support the continuity of the UK's steelmaking capabilities in the future.

Finally, British Steel directly contributed £65 million to the UK government through tax payments in the same year. This comprised national insurance contributions, employee income tax, and business rates.

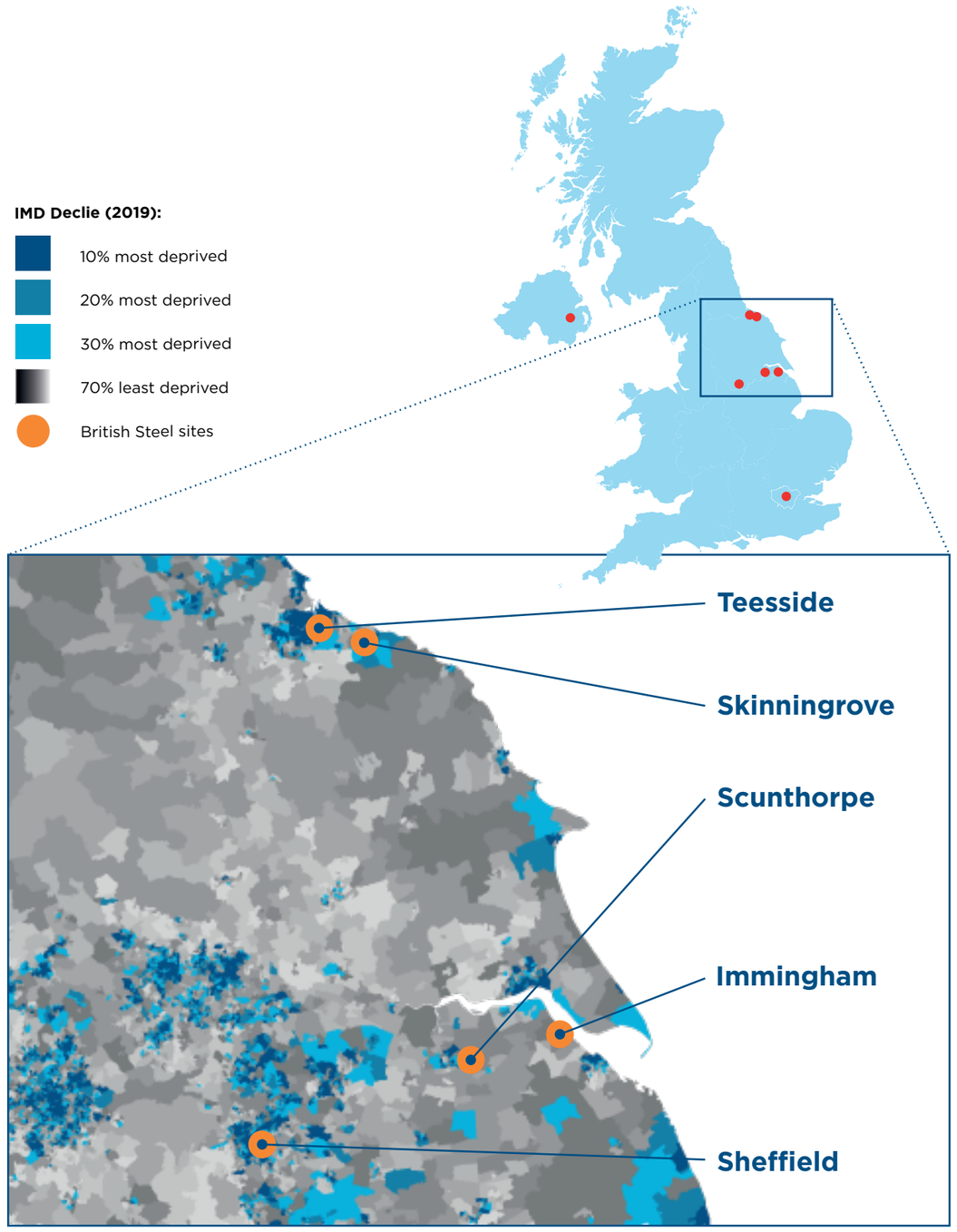
manufacturing jobs in **North Lincolnshire** (**Scunthorpe** and **Immingham** sites) and in **Redcar and Cleveland** (**Teesside** and **Skinningrove** sites) were **British Steel jobs.**

9 A further 185 agency workers were employed across British Steel's sites in 2021. This is captured in the indirect channel of impact, in section 3 of this report.

10 Ministry of Housing, Communities & Local Government (MHCLG), English indices of deprivation, 2019.

11 Note: Location of manufacturing apprentices by site not known for 2021.

Fig. 3: British Steel sites mapped against the Index of Multiple Deprivation (IMD)



Source: British Steel, Oxford Economics, Ministry of Housing, Communities & Local Government

SECTION 3:
BRITISH STEEL'S TOTAL UPSTREAM FOOTPRINT

£1.1 billion; 20,200 jobs

Contribution to UK GDP and employment supported by British Steel and its upstream supply chain in 2021.

British Steel's footprint reaches beyond its direct impact. The company's total upstream footprint also encompasses the economic activity stimulated through its upstream supply chain spending (its indirect impact), the spending supported by its wage payments, and wage payments along its upstream supply chain (its induced impact). This section sets out these channels of impact, alongside the aggregate total upstream economic footprint. It also provides an assessment of the social footprint of its supply chain spend.

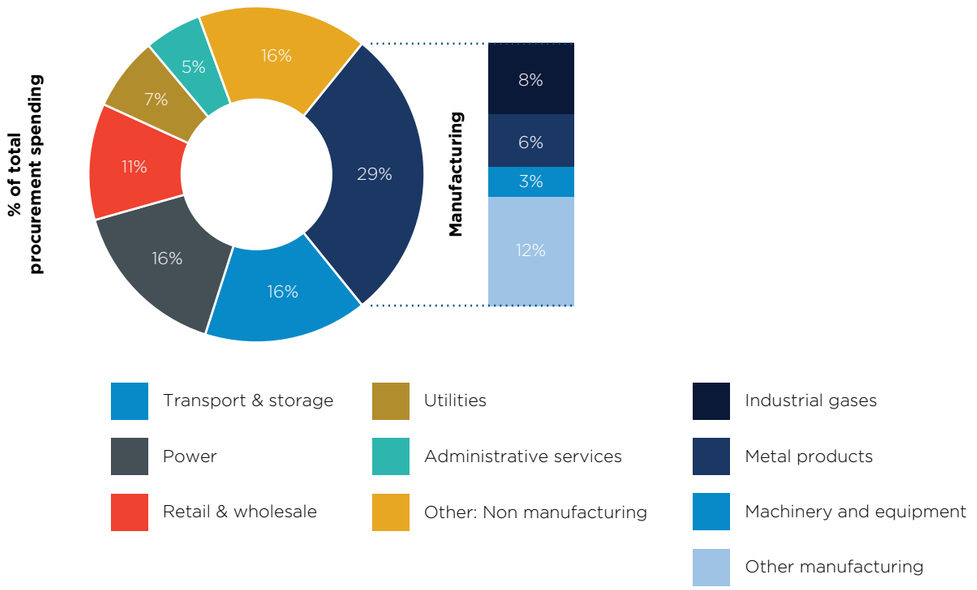
3.1 BRITISH STEEL'S UPSTREAM IMPACT

3.1.1 Supply chain (indirect impact)

A wide variety of inputs are used to make British Steel's products, as well as support its wider operations. These inputs are provided by suppliers across the UK and overseas that, in turn, stimulate further economic activity. **British Steel's UK operations spent over £690 million with more than 1,400 UK suppliers in 2021.**

Just under 30% of this UK supply chain expenditure—or £196 million—was with other manufacturing businesses. This included key inputs for steelmaking, such as industrial gases (£54 million), metal products (£39 million), and machinery (£21 million). British Steel also spent £109 million with transport and storage business, and £108 million on power, including gas and electricity.

Fig. 4: British Steel's supply chain expenditure by sector in 2021



Source: British Steel, Oxford Economics

60% spent with businesses across the North of England

As a share of UK supply chain spend in 2021.

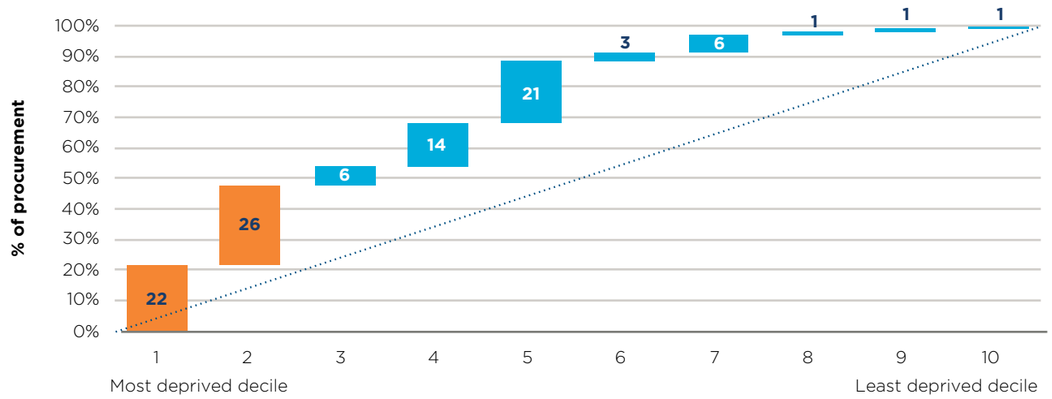
British Steel purchased goods and services from suppliers across all UK regions. Of the total expenditure, around 60%—or £415 million—was with suppliers across the North of England, including Yorkshire and the Humber (£282 million, 41% of the total), the North West (£96 million, 14%), and the North East (£37 million, 5%). British Steel also spent a further £96 million with suppliers in London, equal to 14% of its UK supply chain expenditure.

British Steel purchases goods and services from local areas that face economic and social challenges. In 2021, nearly half (48%) of its supply chain spend in England was with businesses operating in the 20% most deprived local authorities in England, as identified by the Index of Multiple Deprivation. Moreover, 89% of supply chain spend was with business with operations in the 50% most deprived areas.[12]

Nearly half

of supply chain spend in England was with businesses in the **20%** most deprived local authorities

Fig. 5: British Steel's 2021 supply chain expenditure in England by Index of Multiple Deprivation decile

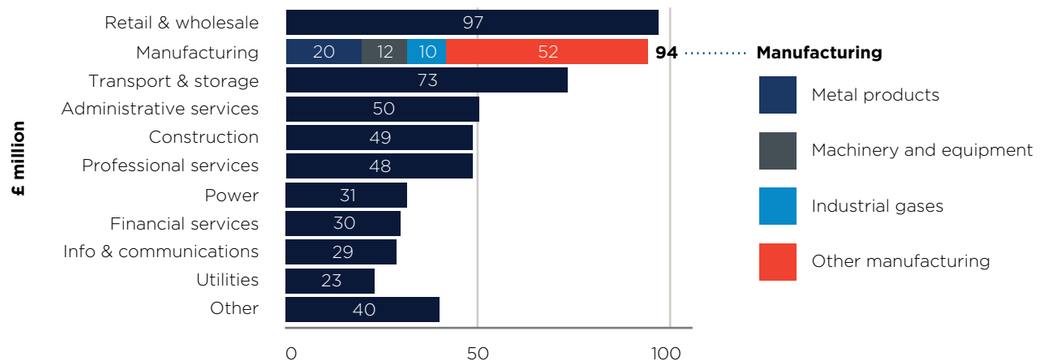


Source: British Steel, Oxford Economics, Ministry of Housing, Communities & Local Government
Note: The diagonal line in the chart represents an equal distribution across the deciles. Thus, the bars being above the line shows an over-indexing of procurement in deprived areas.

12 The full list of local authorities by deprivation can be found via Gov UK, Ministry of Housing, Communities & Local Government. English indices of deprivation 2019, File 10: local authority district summaries. Available at: https://www.gov.uk/government/statistics/english-indices-of-deprivation-2019

This supply chain expenditure stimulates further upstream supply chain activity, as British Steel's suppliers purchase inputs from other UK-based suppliers, which in turn make purchases with their own suppliers, and so on. **This expenditure with UK-based suppliers supported activity across the economy, resulting in an estimated £565 million indirect contribution to UK GDP.** Some £97 million was supported in the retail & wholesale sector (17% of the indirect impact), followed by £94 million in manufacturing (17%), and £73 million in transport & storage (13%). The manufacturing share of the total indirect contribution (17%) is lower than its share of procurement (29%), reflecting the higher import share of inputs used by UK manufacturers further along the supply chain.

Fig. 6: British Steel's indirect GDP impact by sector, 2021



Source: British Steel, Oxford Economics
Note: Figures rounded to zero decimal places.

Further to this, British Steel supported an estimated 10,100 jobs across its UK supply chain in 2021. An estimated 2,000 of these jobs (or 20% of the total) were within administrative services.[13] The higher share of administrative services jobs supported (20%) relative to the contribution to GDP share (9%) reflects the labour intensity of this sector. The distribution of the employment impact was followed by transport & storage (1,800 jobs), retail & wholesale (1,500 jobs), and manufacturing (1,400 jobs).

The largest indirect contribution to GDP and employment was supported in Yorkshire and the Humber, owing to British Steel's extensive supply chain expenditure in the region. **It supported an estimated £178 million indirect contribution to GDP in the region, alongside 3,760 jobs.** This was equivalent to over 30% of the company's indirect contribution to GDP, and 37% of the indirect employment supported. This was followed by the North West (£80 million, 15% of indirect GDP; and 1,300 jobs), and London (£74 million, 13% of indirect GDP; and 840 jobs). In total, the company supported a £294 million indirect contribution to GDP and 5,850 jobs across the three North of England regions in 2021, equal to 52% and 58% of the indirect contribution to UK GDP and employment, respectively.[14]

Finally, through the indirect channel, British Steel supported an estimated £160 million in tax revenues in 2021.

13 This includes the 185 agency workers who were employed across British Steel's sites.
14 These three regions are the Yorkshire and the Humber, the North West, and the North East.

3.1.2 British Steel's wage-induced impact

British Steel pays wages to its employees, and, through its UK supply chain expenditure, supports wage payments to employees in its supply chain. This enables these employees to make purchases in the consumer economy, stimulating further economic activity across the UK.

The majority of British Steel's 2021 wage bill was paid to employees living in the North of England. Of the total gross wages paid to its direct employees, 73% were paid to employees living in Yorkshire and the Humber. A further 19% were paid to employees in the North East, with the remaining 7% spread throughout other UK regions. These wages were also paid in local areas experiencing social challenges. **Some 19% of British Steel wages accrue to people living in local authorities in the 10% lowest residential earnings in the UK.**

We estimate that through this wage-induced spending, British Steel sustained an additional £368 million contribution to GDP. This was associated with a further 5,540 jobs supported, and £112 million in tax revenues stimulated.

£368 million

Wage-induced contribution to UK GDP, alongside **5,540 jobs** in 2021.

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BRITISH STEEL

FORGING PROSPERITY: BRITISH STEEL'S SOCIAL FOOTPRINT

BRITISH STEEL'S UPSTREAM OPERATIONS SUPPORTED...

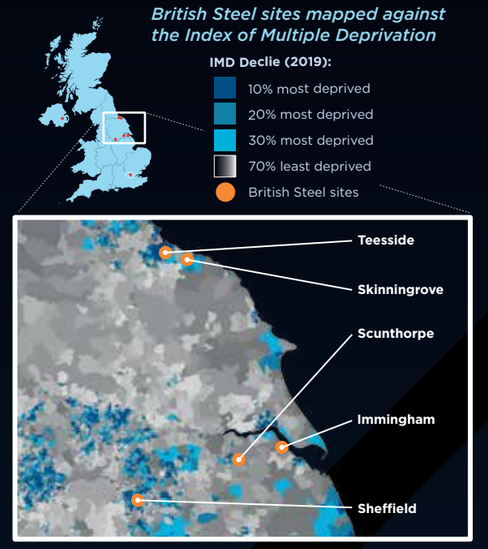
REGIONS AT THE HEART OF UK MANUFACTURING

One-in-five

manufacturing jobs in **North Lincolnshire** (**Scunthorpe** and **Immingham** sites) and in **Redcar and Cleveland** (**Teesside** and **Skinningrove** sites) were **British Steel jobs.**

British Steel's sites are in some of the most deprived areas of the country, providing crucial employment opportunities.

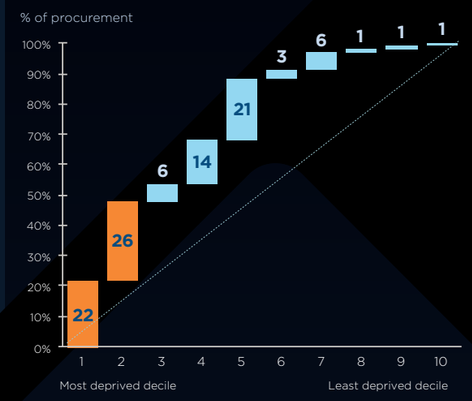
British Steel sites mapped against the Index of Multiple Deprivation



TACKLING LOCAL INEQUALITIES

NEARLY HALF of supplier spend in England was in the **20%** most deprived local authorities in the nation.

British Steel's supplier spend mapped to the UK government's Index of Multiple Deprivation across England's local authorities[1]



19% of wages paid by British Steel accrue to people living in local authorities in the **10%** lowest residential earnings in the UK.

EARLY CAREERS

158 APPRENTICES

British Steel employed **158 apprentices,** representing **3%** of its workforce.

BACKING UK SMEs

94% of British Steel's UK suppliers were **SMEs.**

£0.5bn contribution to UK GDP across SMEs

8,140 jobs supported in SMEs

All values in this infographic relate to 2021, except the UK government's Index of Multiple Deprivation, which relates to 2019.

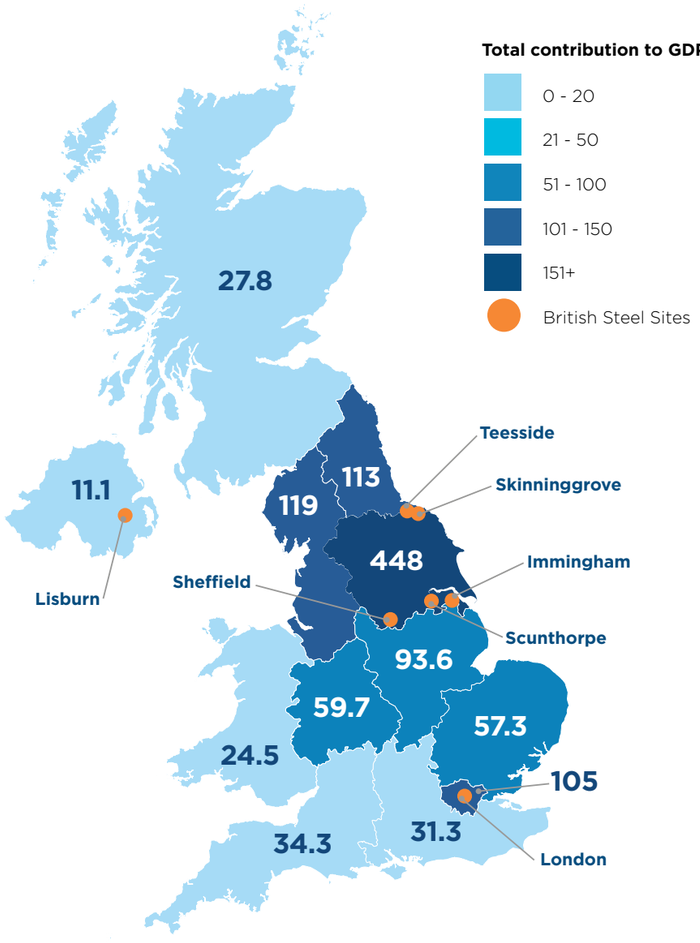
1 The diagonal line in the chart represents an equal distribution across the deciles. Thus, the bars being above the line shows an over-indexing of procurement in deprived areas.

3.2 BRITISH STEEL'S TOTAL ECONOMIC IMPACT

In 2021, we estimate British Steel and its upstream supply chain supported a total contribution to UK GDP of £1.1 billion. This is the sum of the direct, indirect, and induced channels of impact. Or put differently, since British Steel produced 2.3 million tonnes of steel in 2021, we can say that **for every tonne of steel sold supported an estimated £500 total contribution to GDP** across the three channels of impact.

By region, 60%—or £680 million—of the total impact was realised across the North of England throughout Yorkshire and the Humber (£448 million; 40% of the total), the North West (£119 million; 11%), and the North East (£113 million; 10%). The high GDP contribution supported within Yorkshire and the Humber reflects the region's share of British Steel's direct operations (80% of direct GDP); its extensive supply chain expenditure in the region (40% of total UK spend); and the share of wages paid to employees who live in the region (73% of total gross wages).

Fig. 7: British Steel's total GDP contribution by region, 2021



Source: British Steel, Oxford Economics

In 2021, British Steel also sustained a total of 20,200 jobs across the country. Of these jobs, 68%—equal to 13,680 jobs—were located across the North of England within Yorkshire and the Humber (9,420), the North East (2,410), and the North West (1,850). British Steel's employment footprint as a share of each region's labour market was highest in Yorkshire and the Humber (**0.3% of the total regional workforce in 2021**), followed by the North East (0.2%), and the North West (0.05%).

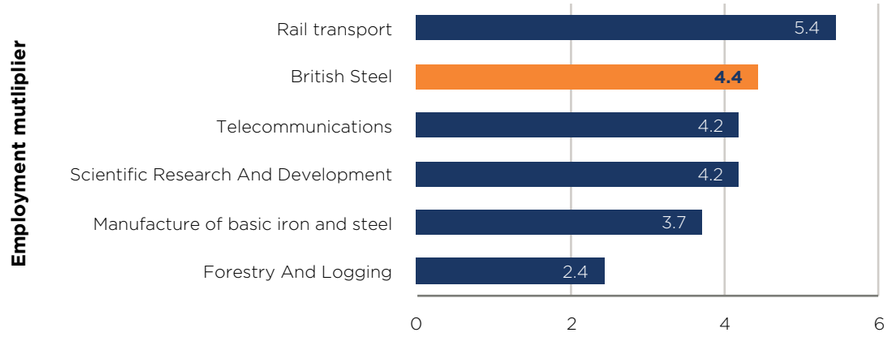
Since the total employment impact was 4.4 times the direct impact alone, we estimate an employment multiplier of 4.4. This means for every 100 workers employed by British Steel, its expenditure on inputs and wages supported a further 340 jobs across the UK economy in 2021. This employment multiplier is higher than other sectors of the economy. This is mainly because British Steel's manufacturing process relies more heavily on supply chain inputs, meaning a greater share of the value of its output comes from UK external suppliers than in other sectors.

68% of employment

supported in the North of England. As a share of British Steel's total UK employment contribution in 2021.

Equivalent to **13,680 jobs.**

Fig. 8: British Steel's employment multiplier compared with other sectors of the UK economy



Source: Oxford Economics, British Steel, ONS

4.4x multiplier

Every 100 workers directly employed at British Steel supported an additional **340 jobs** elsewhere across the UK economy in 2021.

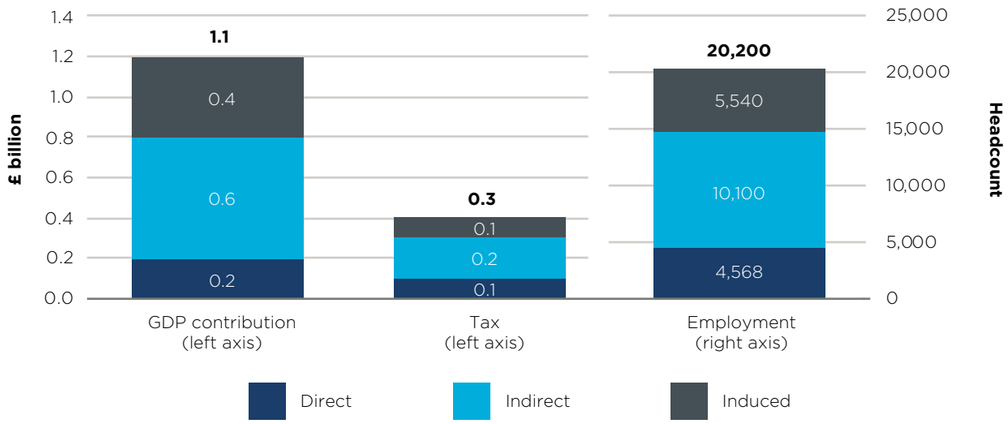
British Steel supports SMEs across the UK. In 2021, around 94% of British Steel's UK suppliers were SMEs, receiving approximately 36% of its UK supply chain expenditure—equivalent to £250 million. This expenditure, alongside the economic activity supported across SMEs in subsequent rounds of British Steel's UK supply chain, and the additional impacts generated by wage-induced spending, contributes to GDP and employment in UK SMEs. British Steel supported an estimated £0.5 billion in GDP across SMEs, equivalent to 44% of British Steel's total contribution to GDP. It also supported approximately 8,140 jobs for SMEs across the UK; 40% of the total employment impact.

Finally, British Steel supported a total tax contribution of £338 million. This was comprised of £65 million from the direct channel, £160 million in the indirect channel, and £112 million in the induced channel. This was equivalent to the annual wages of over 10,000 nurses in the same year.

Impact across SMEs: £0.5 billion; 8,140 jobs

Contribution to UK GDP and employment supported by British Steel across UK SMEs in 2021.

Fig. 9: British Steel's total economic footprint in the UK in 2021, by channel and metric



Source: British Steel, Oxford Economics
Note: Totals do not sum due to rounding.
Agency workers employed at British Steel's UK sites are included within the indirect channel.

OXFORD ECONOMICS

BRITISH STEEL

POWERING THE NORTH OF ENGLAND

BRITISH STEEL'S UPSTREAM ECONOMIC FOOTPRINT ACROSS THE NORTH OF ENGLAND

British Steel's operations (**direct** impact), its upstream spending with local suppliers (**indirect** impact), and the wages spent by local employees and those in the supply chain (**induced** impact) supported...[1]

GDP CONTRIBUTION ACROSS THE NORTH OF ENGLAND[2]

TOTAL

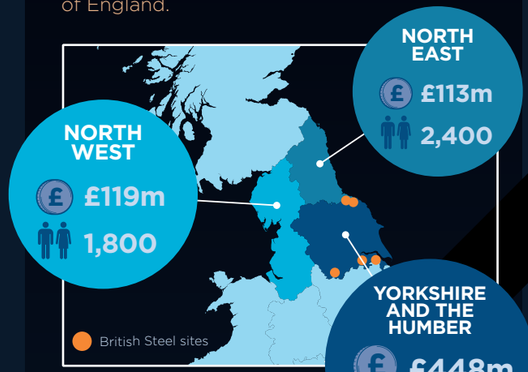
£680m

£191m

£294m

£195m

Equal to **0.2%** of GDP across the North of England.



JOBS SUPPORTED ACROSS THE NORTH OF ENGLAND

TOTAL[3]

13,700

4,546

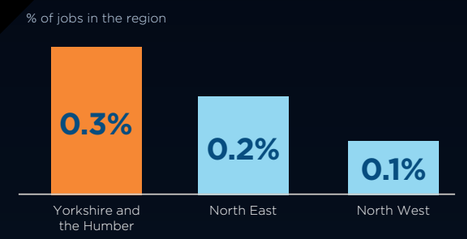
5,900

3,300

68% of British Steel's total employment contribution.

Equal to **0.2%** of jobs across the North of England.

British Steel's employment footprint as a share of each region's labour market was highest in Yorkshire and the Humber.



SUPPORTING BUSINESSES IN THE NORTH

60% of UK procurement spent with business across the North of England . Of which, **over 40%—or £282 million**—was with businesses in Yorkshire and the Humber.

Over 20%—or £143 million—of total UK procurement spent with other manufacturing businesses across the North of England.

BACKING LOCAL WORKERS

93% of British Steel's wage bill was paid to employees who live in the North of England. Of which, **73%** was to workers in Yorkshire and the Humber.

All values in this infographic relate to 2021.
1 The total economic footprint captures British Steel's day-to-day operations in the region, British Steel's and its direct employees' spending with businesses in the region, and the subsequent economic activity originating from this spending further along the supply chain.
2 North of England is the aggregate of Yorkshire and the Humber, the North East of England, and the North West of England.
3 Totals do not sum due to rounding.

SECTION 4:
BRITISH STEEL'S DOWNSTREAM FOOTPRINT

£9.8 billion; 142,000 jobs

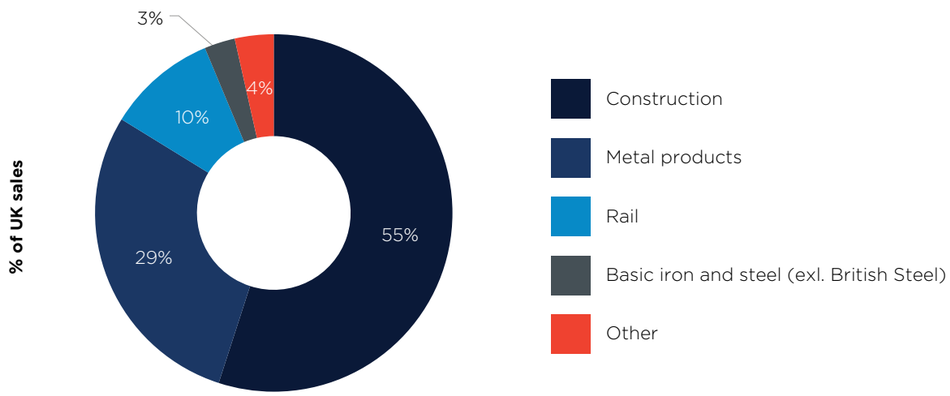
Contribution to UK GDP and employment potentially enabled across British Steel's key customer sectors in 2021.

British Steel provides the foundation for our railways, our construction and infrastructure, and for our manufacturing and distribution industries across the UK. The steel industry also strives to be at the heart of the Government's Net Zero ambitions. Alongside its own decarbonisation commitments, its steel is anticipated to play a core role in delivering the low-carbon infrastructure required for the UK's transition. For instance, steel is a critical input for the UK's extensive energy infrastructure requirements, such as nuclear power plants, enabling the sector to support the Government's ambition to expand nuclear capacity to 24 gigawatts by 2050.[15,16] Similarly, significant volumes of steel will be required over the next 25 years to underpin the almost three-fold anticipated growth in transmission and distribution capacity.[17]

Here, we outline the economic footprint potentially "enabled" in British Steel's key customer sectors through the purchase of steel. We do this using the same impact framework as employed in the upstream assessment, measuring the economic footprint across the direct, indirect and induced channels. Data on sales by customer sector were combined with official data to work out the share of steel and alternative inputs accounted for by British Steel products.

Analysis of British Steel's 2021 sales data identified four key customer sectors, which together accounted for 97% of the company's UK sales: **construction** (excluding rail); **rail;** manufacture of fabricated **metal products;** and, manufacture of **basic iron and steel** (excluding British Steel).

Fig. 10: British Steel's UK sales in 2021, by customer sector



Source: Oxford Economics, British Steel, ONS

15 Department for Energy Security & Net Zero. 2024. Civil Nuclear: Roadmap to 2050. Available at: https://assets.publishing.service.gov.uk/media/65c0e7cac43191000d1a457d/6.8610_DESNZ_Civil_Nuclear_Roadmap_report_Final_Web.pdf.
16 Department for Business and Trade, Hatch. Forthcoming. UK Steel Strategy Demand Assessment.
17 Department for Business and Trade, Hatch. Forthcoming. UK Steel Strategy Demand Assessment.

Across these four key customer sectors, British Steel potentially enabled a £9.8 billion contribution to UK GDP and an estimated 142,000 jobs in 2021.[18] Both the GDP and employment contributions potentially enabled by British Steel were equal to 0.4% of UK GDP and the UK labour force in 2021, respectively. Additionally, the economic footprint of downstream industries potentially enabled by British Steel were estimated to have supported a total tax contribution of around £2.6 billion to the UK government in the same year.

0.4% of UK GDP and employment

Customer sector contributions to GDP and employment potentially enabled by British Steel, as a share of UK GDP and the labour market.

Fig. 11: Potential customer-related impacts enabled by British Steel by sector, 2021

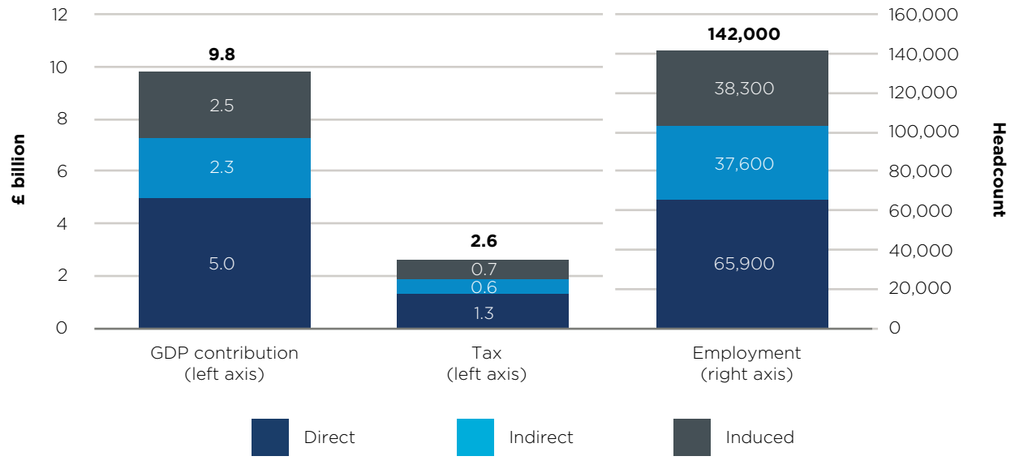
Source: British Steel, Oxford Economics

18 The share of the key steel-using sectors' total economic impact that is potentially "enabled" by British Steel's role as an intermediate input into each customer sector's production process. The customer sectors' "total impact" here excludes the indirect impact of purchasing from British Steel, and the indirect impact of transactions between the customer sectors, to avoid double counting.

Almost two-thirds—or £6 billion—of the estimated total contribution to GDP enabled by British Steel was in the construction sector. This was followed by fabricated metal products (£2.3 billion), railways (£1.5 billion), and basic iron and steel (excluding British Steel) (£75 million). The difference in magnitude of impacts across the different customer sectors reflects both the impacts generated across the customer sectors themselves, and British Steel's estimated enabled share of each sectors impacts, by channel.

By channel of impact, British Steel potentially enabled an estimated £5 billion contribution to GDP and 65,900 jobs directly within its key customer sectors. This was equal to over half of the total enabled GDP contribution. A further £2.3 billion (37,600 jobs), and £2.5 billion (38,300) was potentially enabled across the indirect and induced channels, respectively.[19]

Fig. 12: Potential customer-related impacts enabled by British Steel by channel, 2021



Source: British Steel, Oxford Economics

REPORT CONCLUSION

Overall, this report highlights the vital role British Steel plays in supporting the UK economy, labour market, and in delivering social value, with benefits extending across every region and throughout the industrial supply chain. We also demonstrate the economic significance of its products, essential in sustaining critical sectors from construction to rail.

Despite recent challenges, the longer-term demand outlook for steel remains positive, with steel being at the forefront of delivering the UK's growing infrastructure requirements. This further reinforces the strategic and economic importance of a sustainable and prosperous steelmaking industry in the UK.

19 See footnote 18.

APPENDIX: METHODOLOGY

AN OVERVIEW TO THE ECONOMIC IMPACT ASSESSMENT FRAMEWORK

An economic impact assessment is a standard tool used to quantify the economic footprint of an investment, a company, or an industry through three separate channels, outlined in Fig. 13 below.

These impacts were quantified in terms of the gross value-added contribution to GDP, employment, and taxes at the UK level. The contribution to GDP and employment was also disaggregated for the three devolved nations and nine English regions. The 2021 calendar year was chosen as the year when production and normal market conditions were deemed most reflective of current and future steady state operations on a near-full production basis.

Fig. 13: An overview to the economic impact assessment framework

Source: Oxford Economics

DIRECT FOOTPRINT

British Steel's direct contribution to GDP was calculated using the income approach to national accounting. That is, the sum of its employment costs, the EBITDA measure of profits, and taxes on production (such as business rates). These data were provided by British Steel. British Steel also provided data on the total number of direct employees across its UK sites, alongside information on taxes it paid over the year to the UK exchequer.

British Steel provided a breakdown of anonymised headcount and employment cost data for each of its UK operational sites, which were used to estimate the direct contribution to GDP and employment footprint of British Steel within each region.

INDIRECT AND INDUCED UPSTREAM FOOTPRINT

Our approach for assessing British Steel's indirect and induced upstream economic footprint is based on Oxford Economics' Business Economic Impact Calculator (BEIC) (hereafter "the model"). This includes a detailed model of the UK economy, comprising 105 industries in the UK's three devolved nations and nine English regions. The 105 industries are those found in the most detailed version of the Office for National Statistics' (ONS) set of UK input-output tables. An input-output table gives a snapshot of an economy at a given point in time. The model shows the major spending flows from "final demand" (i.e., consumer spending, government spending, investment, and exports to the rest of the world); intermediate spending patterns (i.e., what each sector buys from every other sector—the supply chain, in other words); how much of that spending stays within the domestic/provincial economy; and the distribution of income between employment income and other income (mainly profits). In essence, an input-output table shows who buys what from whom in the economy.

To estimate British Steel's indirect footprint across the UK's three devolved nations and nine English regions, we used the company's data on the amount spent and type of goods and services purchased from its suppliers across the UK's regions. By inputting this spend into the model, we capture the economic footprint along British Steel's supply chain within each region that originates from spending with suppliers based outside of the supplying region. The indirect footprint also includes the agency workers that British Steel hires, as these are counted as procurement expenditure.

To calculate the induced footprint, we used the information on the compensation it pays to workers, as provided by British Steel in an anonymised form. These data were then distributed throughout the consumer economy using the model. Similarly, for the regional impacts, we input the wages of direct British Steel workers living in each of the UK's nations and regions.

SOCIAL FOOTPRINT

The upstream analysis was extended to assess how British Steel supports economic prosperity in the communities in which it operates. This comprised mapping its direct operations and procurement to the indices of deprivation, and quantifying the economic footprint supported across SMEs.

Measuring the Social Footprint of British Steel's Upstream Operations

British Steel provided data on its operational sites, anonymised gross wages, and supply-chain expenditure in 2021 disaggregated by post-code. This allowed us to map British Steel's operational sites, expenditure, and resident-based wage information to the UK's Local Authority Districts, as defined at the end of 2021. In turn, the location of British Steel's operational sites was mapped against the relevant Local Authority Districts' level of deprivation, as well as the share of UK procurement by decline of deprivation in England. Levels of deprivation were defined by the Ministry of Housing, Communities & Local Government (MHCLG) English indices of deprivation for 2019.[20] In addition, British Steel's workers' resident-based wages were compared to local authority averages using data from the ONS for 2021.

INDEX OF MULTIPLE DEPRIVATION (IMD) EXPLAINER:

The IMD is the official measure of relative deprivation in England. In this context, "deprivation" refers to people's unmet needs, whereas "poverty" refers to the lack of resources required to meet those needs or socially perceived necessities. The data are available at the Lower Layer Super Output Area (LSOA) level, each representing approximately 1,500 residents. Each LSOA is allocated an overall score and then ranked against the other 33,755 LSOAs in England, where rank 1 is the most deprived.

The overall score is calculated based on seven weighted "domains of deprivation", and these are:

Income (22.5%)—measures the proportion of the population experiencing deprivation due to low income.

Employment (22.5%)—measures the proportion of the working-age population involuntarily excluded from the labour market.

Education (13.5%)—measures the lack of attainment and skills in the local population.

Health (13.5%)—measures the risk of premature death and impairment of life quality through poor physical/mental health.

Crime (9.3%)—measures the risk of personal and material victimisation at local level.

Barriers to Housing & Services (9.3%)—measures the physical and financial accessibility of housing and local services.

Living Environment (9.3%)—measures the quality of both the "indoor" and "outdoor" local environment.

20 2019 was used as the closest year to the year of the footprint assessment.

Modelling the Economic Footprint on SMEs

As part of the analysis, Oxford Economics modelled British Steel's economic footprint on SMEs in 2021. These were defined as firms with fewer than 250 employees. British Steel provided procurement detail disaggregated by UK SME and non-SME suppliers.

The input-output model was extended by disaggregating each industrial sector to include breakdowns for SME and non-SME firms in each industrial sector, based on ONS data.

This enhanced input output model then allowed us to estimate the economic footprint on SMEs in the same way as described in Fig. 13 above. Namely, we estimated impacts along the indirect and induced channels supported in the UK, split out by SMEs and non-SMEs. This approach captures the propensity of SMEs to spend with other SMEs. Employment impact estimates were derived from the output estimates from the input-output table using estimates of labour productivity by sector and size band.

AN OVERVIEW OF THE DOWNSTREAM FOOTPRINT ANALYSIS

In addition to the activity undertaken by British Steel itself, and supported in its "upstream" supply chain, the company's output is used as an input to the production processes of key customers. The downstream footprint measures the GDP, employment, and tax footprint of select customer sectors, potentially "enabled" by the use of British Steel's products. Data on sales by customer sector were combined with official data to work out the share of steel and alternative inputs accounted for by British Steel products. These impacts were calculated using the same framework as the "upstream" footprint outlined above measuring the direct, indirect, induced channels of impact, and is based on Oxford Economics' Business Economic Impact Calculator (BEIC).

The four key customer sectors identified from British Steel's 2021 sales data, and therefore subsequently assessed in the analysis were:

Sector	Standard Industrial Code (SIC)
The construction sector (excluding construction of railways)	41, 42, and 43
Construction of railways (referred to as "rail" in the report)	42.12
Fabricated metal products	25.1-3; 25.5-9
Basic iron and steel (excluding British Steel)	24.1-3

Source: British Steel, Oxford Economics

CUSTOMER SECTOR IMPACTS

Customer sector impacts were first quantified on an "additional and consolidated" basis. This means measuring the customer sectors' total impacts in the UK, but then removing indirect supply-chain impacts supported by each other customer sector, and indirect impacts on British Steel, to avoid double counting. This forms the starting point to then measure the share of economic activity in customer sectors "enabled" by British Steel.

THE INDICATIVE SHARE OF CUSTOMER IMPACTS ENABLED BY BRITISH STEEL

Estimating the share of impacts potentially "enabled" by British Steel is based on a view that, for these customer sectors, either steel, or some alternative material performing the same function, is an essential component. The "alternative inputs" to steel were taken to be:

- Non-ferrous metals in the case of the metal product manufacture and basic iron and steel sectors.
- Non-ferrous metals, wood products, and non-metallic mineral products (bricks, glass, cement, concrete, etc) for construction.
- No alternative materials are considered for the construction of railways, owing to the UK's exclusive use of steel for rails.

British Steel's share of each customer sector's direct footprint was calculated by dividing each sector's purchases from British Steel by their total steel and alternative inputs, including imports. This information was sourced from the industry-by-industry purchasing data in the Office for National Statistics' Input-Output tables. For the rail sector, due to lack of national statistics data, Oxford Economics used publicly available information on the Government's purchases of steel from domestic and international suppliers in 2020/21 and 2021/22, paired with sales data provided by British Steel, to inform British Steel's share of steel and alternative inputs in 2021.[21]

This share was then also applied to the customer sectors' purchases of inputs other than steel or its alternatives, allowing a share of the sectors' indirect impacts to be attributed to steel (with a further adjustment for steel alternatives). Shares of the induced footprint were calculated from there, based on the relative importance of sector and supply chain employee spending power.

The regional customer sector footprint potentially enabled by British Steel were assumed to follow the regional distribution of UK sales by British Steel for each customer sector in 2021, apart the rail sector. Due to the nature of this sector, whilst sales were concentrated to one region, the geographic spread of impacts is likely to be more widespread. Therefore, the direct impacts potentially enabled by British Steel were assumed to follow ONS data on employment for the rail sector (SIC 42.12), whilst the indirect and induced were assumed to follow the distribution of impacts as informed by Oxford Economics' model.

21 Department for Business & Trade. Steel Public Procurement 2023. Available at: https://assets.publishing.service.gov.uk/media/64a6f11c7a4c230013bba311/steel-public-procurement-2023.pdf.

OXFORD ECONOMICS

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