

History of British Steel

March 22nd 1967

The 'Iron and Steel Act' brought into public ownership about 90% of British Steelmaking. The country's non-integrated steelmaking and re-rolling companies, including half of the specialised steel production facilities were left in the private sector with a number of small companies.

July 28th 1967

BSC (British Steel Corporation) was formed from the UK's 14 main steel producing companies. The formation enabled the reshaping of a vital industry after years of insufficient capital investment.

The 1970's

The Government approved a 10 year development strategy with expenditure of £3,000 million from 1973 onwards, the objective of which was to convert BSC from a large number of small scale works using largely obsolete equipment, to a far more compact organisation with highly competitive plant. Steelmaking was to be concentrated in five main areas: South Wales, Sheffield, Scunthorpe, Teesside and Scotland.

It was not until 1975 that a closure programme was agreed after a 14 month review by Lord Beswick, the then Minister of State for Industry.

By this time BSC was plunging into loss and important parts of the investment programme was held back. Despite this significant closures had taken place by the end of the decade.

The 1980's

The start of the 1980s was heralded by a 13 week national steel strike. The strike was the result of the Corporation's pressure for change and a pay dispute.

By the end of 1980, BSC had completed the closure of a number of outdated and lossmaking plants and reduced its workforce to 130,000 - compared with a total of 268,500 employees at the time of nationalisation.

Even so, the prospects for steel sales in the markets available to BSC were such that a corporate plan put forward in December 1980 proposed further significant improvements in cost and efficiency. The aim was to regain a competitive position as a supplier to a world market heavily over-supplied with steel products.

By early 1984, BSC was achieving better labour productivity levels than most continental steelmakers and by 1988/89, a figure of 4.7 man hours per tonne was achieved - a threefold improvement since the end of the 1970s.

The turnaround in British Steel's fortunes since the early years of 1980s was very substantial. The heavy losses of a few years before were replaced by a pre-tax profit in 1989/90 of £733 million.

1987

On the 3rd December 1987 the UK Government formally announced its intention to privatise the British Steel Corporation.

1988

The British Steel Act 1988 transferred the assets of the Corporation to British Steel, a company registered under the Companies Act & on 5 December 1988, dealings in shares opened at The Stock Exchange.

The 1990's

The early 1990's saw reduced demand and it was not until 1993 that growth in the UK economy gradually gathered pace and was reflected in a partial recovery in steel demand and price levels. The trend continued into 1994 and helped by continuing efficiency and productivity gains, British Steel returned to profit.

1999

On October 6, 1999 the merger with Koninklijke Hoogovens to form Corus came into effect.