

Steel giant ArcelorMittal warns Gove over Kent planning verdict

The world's second-largest steel company has warned the government that a planning verdict due this week could lead to a key division quitting the UK.

Sky News has seen a letter sent by ArcelorMittal to Michael Gove, the levelling-up secretary, in which it says that a decision to allow the closure and redevelopment of part of Chatham Docks would have "seismic adverse consequences... [for] the British economy and multiple strategic industries".

In the letter from Matthew Brooks, who runs ArcelorMittal's construction solutions arm in the UK, the company urges Mr Gove to issue an urgent order to allow fuller government scrutiny of the redevelopment proposals ahead of Wednesday's decision by Medway Council.

"This is highly time-sensitive – calling in the application after next Wednesday will not be possible," Mr Brooks wrote.

He warned that if the proposals were approved, ArcelorMittal would "regrettably be left with no alternative but to leave Chatham Docks and, more than likely, cease operations in Britain, given the lack of suitable alternative sites".

"This, too, would likely be the case for the majority of businesses at the Docks," Mr Brooks wrote.

"This would have a significant impact on Britain's manufacturing and construction industries, delay countless critical national infrastructure projects, come at a significant cost to the economy, and leave Britain vulnerable and exposed to the volatility of international supply chain

shocks.”

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The application, submitted by Peel Waters, part of the industrial conglomerate Peel Group, would see the site used to build housing and commercial facilities in place of part of the docks.

It has already been recommended for approval by local planning

officers, according to reports last week.

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ArcelorMittal uses the site in Kent to transport materials produced by its construction materials arm.

If the application was approved, it warned, it would “spell the end of Chatham Docks and have a significant impact on the UK reinforcement industry, leading to serious, potentially irreversible long-term harm, with immediate consequences for the resilience and carbon intensity of the sector”.

ArcelorMittal, which has operations in more than 60 countries, is an integrated steel and mining company, serving the automotive, construction, household appliances and packaging industries.

The company, which is based in Luxembourg, is chaired by Lakshmi Mittal, the Indian businessman.

It is a significant supplier of steels in Britain, and has been involved in construction projects such as Wembley Stadium, Crossrail and the O2 arena in southeast London.

“Our concern is that Peel’s application to redevelop Chatham Docks is not only wrong for Britain but has proceeded with little scrutiny and a lack of public awareness,” Mr Gove was told in the letter.

“Many key stakeholders are therefore unaware of the consequences if it were to proceed.

“As the largest operator in the Docks, we of course believe that the application should be rejected.

“However, our sole request today is for an Article 31 holding direction so you can secure the time to assess whether to call in this application for consideration at the national level.”

According to ArcelorMittal, Chatham Docks – which it described

as “a 400-year-old thriving commercial port with a proud naval heritage” – employs nearly 800 people and generates economic value equivalent to £112,000 per worker, which it argued was “considerably higher than the Medway average of £63,900”.

“This is in direct contrast to proposals put forward by Peel, whose economic proposition is unclear,” Mr Brooks wrote.

He added that the redevelopment plan would spell the end for £20m of new investment with the potential to create nearly 2,000 jobs.

“However, none of this can be realised while there is uncertainty about the future of our lease on Chatham Docks,” Mr Brooks warned, adding that £5m of investment had “already been delayed by Peel’s application”.

Peel Waters could not be reached for comment on Sunday.