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British Steel Operational Disruption

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Classification: TLP:CLEAR

Criticality: Low

Intelligence Requirements: Geopolitical Risks

April 18, 2025

Scope Note

ZeroFox Intelligence is derived from a variety of sources, including—but not limited to—curated open-source accesses, vetted social media, proprietary data sources, and direct access to threat actors and groups through covert communication channels. Information relied upon to complete any report cannot always be independently verified. As such, ZeroFox applies rigorous analytic standards and tradecraft in accordance with best practices and includes caveat language and source citations to clearly identify the veracity of our Intelligence reporting and substantiate our assessments and recommendations. All sources used in this particular Intelligence product were **identified prior to 1:00 PM (EDT) on April 17, 2025**; per cyber hygiene best practices, caution is advised when clicking on any third-party links.

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British Steel Operational Disruption

| Key Findings

- On April 12, 2025, the United Kingdom (UK) government took action to ensure continued operations at British Steel's Scunthorpe site—home to the UK's last remaining blast furnaces—due to a critical disruption in the supply of raw materials.
- This disruption arose after the site's Chinese parent company, Jingye Group, ceased procurement of essential raw materials and began selling existing supplies, leading to concerns that British Steel may be forced to cease operations.
- In response, the UK government enacted emergency legislation, the Steel Industry (Special Measures) Act 2025, granting it emergency powers to intervene in critical steel manufacturing operations. Under this legislation, UK ministers assumed operational control of key steel assets and the Scunthorpe site.
- To sustain operations at British Steel's Scunthorpe site, the UK government has secured emergency shipments of the needed raw materials, cooking coal and iron ore, from the United States and Australia.

- This incident highlights the risks of foreign ownership in critical national infrastructure, particularly where assets vital to national security are controlled by foreign organizations with potential links to adversarial states.

| Details

Implications of Foreign Ownership

Jingye Group, a well-established Chinese steel manufacturer, was founded in 1988 and is headquartered in Beijing.¹ Jingye Group acquired British Steel in March 2020—including its primary steel manufacturing facility in Scunthorpe, UK, currently home to the last operational blast furnaces.² On April 12, 2025, Jingye Group ceased procurement of essential raw materials, jeopardizing the critical operations of the UK's only blast furnaces. Jingye Group reportedly made the decision to halt these critical material shipments due to substantial daily financial losses of £700,000 and escalating environmental costs associated with keeping British Steel operational.³

Operational Impact

Jingye Group's decision to abruptly halt procurement of essential raw materials resulted in significant operational impact, as the UK's last blast furnaces were at imminent risk of being permanently shut down, and showcases how foreign ownership and control over critical assets can pose immediate national security concerns. The blast furnaces must run continuously; once shut down, they begin to solidify and cool internally. Restarting operations is complex, costly, and potentially unfeasible. The UK's infrastructure depends on British Steel's continued operation, as it provides essential steel for the railways, the defense sector, and construction projects. The closure of British Steel's Scunthorpe site also would have resulted in the UK becoming the only G7 nation without primary steel production. While the UK could have continued importing steel, likely for cheaper than what it would cost to produce from Scunthorpe, that would have left them reliant on trade partners who could have curtailed supplies at any moment.

¹ [hXXps://www.hbjyt\[.\]com/jy000/en/about/](https://www.hbjyt.com/jy000/en/about/)

² [hXXps://britishsteel\[.\]co\[.\]uk/who-we-are/where-weve-come-from/](https://britishsteel[.]co[.]uk/who-we-are/where-weve-come-from/)

³

[hXXps://www.cnn\[.\]com/2025/04/12/europe/uk-takeover-british-steel-chinese-jingye-intl-latam/index.html](https://www.cnn[.]com/2025/04/12/europe/uk-takeover-british-steel-chinese-jingye-intl-latam/index.html)

UK Government Response

The UK government offered £500 million to Jingye Group to maintain and modernize steel production at the Scunthorpe site, but Jingye Group rejected this offer. This rejection led to the UK government enacting emergency legislation on April 12, 2025, called the Steel Industry (Special Measures) Act 2025. This legislation grants the UK Secretary of State for Business and Trade, Jonathan Reynolds, the authority to intervene and direct operations relating to UK steel manufacturers.⁴

Geopolitical Concerns

The operational disruption of British Steel has raised significant geopolitical concerns, particularly between the UK and China. A spokesperson from the Chinese embassy condemned the UK government's intervention as "arrogant and ignorant",⁵ while the Deputy Director of the Information Department of the Ministry of Foreign Affairs of China, Lin Jian, urged the UK to treat Chinese firms fairly and avoid politicizing economic relations.⁶ Secretary Reynolds expressed his deep disappointment in being forced to intervene due to the actions of Jingye Group, while also emphasizing the strategic importance of maintaining steel production within the UK.

The diplomatic remarks made by officials from both the UK and China highlight the increasing tensions between the two countries. This disagreement feeds into existing mistrust between the UK and China; the UK has previously imposed restrictions on Chinese tech firm Huawei over concerns about its products due to Huawei's close ties to the Chinese government.⁷

- On March 25, 2024, the UK government publicly warned of a growing threat from Chinese state-sponsored entities targeting and undermining the country's democratic processes.
- During the same warning, the UK confirmed that Chinese state-sponsored entities had hacked the UK's Electoral Commission in August 2021, reportedly gaining

⁴ [hXXps://www.gov\[.\]uk/government/publications/steel-industry-special-measures-bill](https://www.gov.uk/government/publications/steel-industry-special-measures-bill)

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[hXXps://www.dailymail\[.\]co\[.\]uk/news/article-14618007/Furious-China-accuses-arrogant-ignorant-MPs-slandering-Beijing-British-Steel-row.html](https://www.dailymail.co.uk/news/article-14618007/Furious-China-accuses-arrogant-ignorant-MPs-slandering-Beijing-British-Steel-row.html)

⁶ [hXXps://www.mfa\[.\]gov\[.\]cn/eng/xw/fyrbt/202504/t20250415_11594942.html](https://www.mfa.gov.cn/eng/xw/fyrbt/202504/t20250415_11594942.html)

⁷ [hXXps://www.gov\[.\]uk/government/news/huawei-legal-notice-issued](https://www.gov.uk/government/news/huawei-legal-notice-issued)

access to 40 million voters' personal details. The attack was only publicly disclosed in 2022.⁸

China likely views the UK's decision to intervene as an unjustified intrusion of the Chinese commercial sector and potentially a sign of growing hostility, while the UK has stated this is a protective measure necessary for national security. The UK government's actions very likely signal that they are aligning more closely with Western allies, who are increasingly concerned about foreign control of critical infrastructure and raw materials.

⁸ ZeroFox Intelligence Flash Report: UK Confirms Chinese State-Sponsored Cyber Attacks, March 25, 2024

Appendix A: Traffic Light Protocol for Information Dissemination

	Red	Amber
WHEN SHOULD IT BE USED?	Sources may use TLP:RED when information cannot be effectively acted upon by additional parties and could lead to impacts on a party's privacy, reputation, or operations if misused.	Sources may use TLP:AMBER when information requires support to be effectively acted upon but carries risks to privacy, reputation, or operations if shared outside of the organizations involved.
HOW MAY IT BE SHARED?	Recipients may NOT share TLP:RED with any parties outside of the specific exchange, meeting, or conversation in which it is originally disclosed.	Recipients may ONLY share TLP:AMBER information with members of their own organization and its clients, but only on a need-to-know basis to protect their organization and its clients and prevent further harm. Note that TLP:AMBER+STRICT restricts sharing to the organization only.
	Green	Clear
WHEN SHOULD IT BE USED?	Sources may use TLP:GREEN when information is useful for the awareness of all participating organizations, as well as with peers within the broader community or sector.	Sources may use TLP:CLEAR when information carries minimal or no risk of misuse in accordance with applicable rules and procedures for public release.
HOW MAY IT BE SHARED?	Recipients may share TLP:GREEN information with peers and partner organizations within their sector or community but not via publicly accessible channels.	Recipients may share TLP:CLEAR information without restriction, subject to copyright controls.

| Appendix B: ZeroFox Intelligence Probability Scale

All ZeroFox intelligence products leverage probabilistic assessment language in analytic judgments. Qualitative statements used in these judgments refer to associated probability ranges, which state the likelihood of occurrence of an event or development. Ranges are used to avoid a false impression of accuracy. This scale is a standard that aligns with how readers should interpret such terms.

Almost No Chance	Very Unlikely	Unlikely	Roughly Even Chance	Likely	Very Likely	Almost Certain
1-5%	5-20%	20-45%	45-55%	55-80%	80-95%	95-99%