

Dr Liam Fox MP
Secretary of State for International Trade
Department for International Trade
King Charles Street, Whitehall
London, SW1A 2AH

02 March 2018

Dear Secretary of State,

We are writing to you at the earliest available opportunity to convey our sector's immediate concerns following President Trump's announcement on 1 March that he intends to introduce tariffs of 25% on steel imports into the US. You will of course, already be aware of the significant impact that such tariffs could have on UK producers, with £360 million (250,000 tonnes) worth of steel products being exported from the UK to the US in 2017, this is a major and important market for us. Moreover, as the sector strives to overcome the challenges of recent years, several companies are targeting increased exports to the US of several high value markets. This of course will severely curtail their ability to do so.

At the time of writing, we of course do not have the full details relating to the President's announcement and therefore there remains a lingering hope that such tariffs would not apply to countries such as the UK and those elsewhere in the EU. From our point of view, and yours I am sure, the utmost priority must be for the UK Government to use the significant influence it has at its disposal to obviate a worst case scenario and the imposition of tariffs on UK steel products. It is clear to any observer that UK exports to the US represent no threat to US national security and, moreover, no threat to the US Steel industry itself. We are one of its oldest and closest allies.

Should the official announcement next week reveal that tariffs will cover products from the UK and EU, it is essential that the EU, with support from the UK, respond in a robust and appropriate manner in the face of this unnecessary protectionist move. As I am sure you will agree, such a move will be detrimental to global trade and international efforts to tackle the root cause of the problem, a global overcapacity in steel production.

Equally important, there is significant apprehension surrounding the indirect impacts of these measures which will come irrespective of whether these tariffs apply to the UK. With a blanket 25% tariff aimed at reducing imports into the US of upwards of 20 million tonnes of steel, this product will naturally search for a new home in markets such as the UK and EU. This could have a significant impact on prices here and would also need to be met with a measured, but strong, response from the EU. It is essential that any response from the EU has the full support of the UK Government.

Thank you for your consideration in these matters of vital importance to the steel sector and we, and our members would value a meeting with you at the soonest available opportunity. We look forward to hearing from you soon.

Yours sincerely



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cc: Rt Hon Greg Clark MP, Secretary of State for Business, Energy and Industrial Strategy
cc: Richard Harrington MP