

# **Steel Trade Measures: Call for Evidence**

## **The Chartered Institute of Export & International Trade's response**

### **Introduction**

The Chartered Institute of Export & International Trade is delighted to be responding to the Department for Business and Trade's call for evidence on steel trade measures.

By way of background, the Chartered Institute's purpose is to empower organisations and equip individuals with the expertise to trade effectively, sustainably and competitively. Established in 1935, the Chartered Institute is trusted by governments, businesses and trade professionals around the world as the leading expert body in international trade and the foremost association of exporters and importers.

We are committed to professionalising trade through education and training while partnering with national and international partners to facilitate the acknowledged mutual benefits of trusted, frictionless and legitimate trade. The Chartered Institute is registered as a charity in the UK and operates globally.

### **Background**

There is always a need to balance protection of domestic production against the need for open trade and maintaining sufficient supplies of goods across markets.

UK steelmakers have faced a number of significant challenges in recent times. The UK Parliament took emergency measures in April 2025 to give the Secretary of State for Business and Trade special powers to issue directions or take control of steel undertakings in England at risk of closure, following a crisis at British Steel. The Scunthorpe steelworks, which the government intervened to save, is the last UK site able to produce high-quality "virgin steel". This metal is crucial for defence production, as

well as infrastructure projects. Yet even this measure has not resolved the future of the steelworks, with talks still ongoing (at the time of writing) between the government and British Steel's official owners, Jingye. Jingye has requested cash to complete the transfer of the company.<sup>1</sup>

Alongside this challenge came the imposition of 25% tariffs on UK steel imports to the US. This came into force from 12 March 2025, repealing an exemption from a 25% tariff on steel and 10% tariff on aluminium imports to the US. UK officials are still working to negotiate down the 25% tariffs.

It is notable that the UK's 25% rate is half of the 50% tariff imposed on other countries' exports of steel into the US. Despite this, domestic production of steel is still under pressure.

It is therefore welcome that the government is bringing forward a new cross-government Steel Strategy, announced by Defence Minister, Angela Eagle MP. This will "establish a long-term vision for the industry, promoting long-term growth" and align with other government strategies, such as the Strategic Defence Review (SDR) and the Industrial Strategy.

The SDR seeks to rejuvenate the steel industry, with the UK prioritising domestic steel in defence procurement, a reflection of steel being a vital pillar of the UK's economic security. Indeed, £7bn will be invested in facilities such as munitions factories, barracks and defence housing.

In terms of the UK's internal market, via the Windsor Framework, tariffs were eliminated for steel which remains within the UK internal market, thus ensuring tariff-free movement of GB steel into Northern Ireland. There are, however, challenges in meeting internal market requirements whereby goods subject to safeguarding measures are not eligible for internal market movements.

At the same time, tariff-free exports from the UK to the EU of key steel products (e.g. support beams) came into effect from 1 August 2025, without additional costs<sup>2</sup>. This has given the steel industry a welcome

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<sup>1</sup> [UK says British Steel's Chinese owners demanding millions - BBC News](#)

<sup>2</sup> [British steelmakers regain access to EU market - GOV.UK](#)

export avenue, given the challenges faced on the other side of the Atlantic. The UK steel industry therefore has an edge over its competitors, for an undefined period of time, therefore, whereby it has lower comparative tariffs to the US, as well as having greater access to the EU market.

As the government further considers how to continue its support the UK steel industry, and build out its wider Steel Strategy, trade measures have come to the fore. The current steel safeguard has been guarding against trade diversion and overcapacity since 2018. This measure is due to expire on 30 June 2026, with no mechanism to extend it due to the UK's obligations as a member of the World Trade Organization.

Measures have also been taken, effective 1 July 2025, whereby the UK government has taken selected advice from the Trade Remedies Authority (TRA) and reinforced its steel safeguard measures to protect against surges in cheap imports ('dumping' being a particular risk for the UK, with other countries also affected by the US tariffs on steel imports). As we reported recently, these measures include fifteen anti-dumping and two anti-subsidy measures on imports from seven individual countries.<sup>3</sup>

Our response, therefore, provides an opinion on the future of the steel safeguard, with the above background in mind and considering what is best for the export community. The Chartered Institute agrees with the position that a new mechanism is needed to replace the expiring safeguard – which effectively protects the UK steel industry – whilst also ensuring that the supply of UK steel needed for domestic trade and defence purposes is not hindered in any way.

### **Selected Questions for Response**

#### ***Do you think the current steel safeguards have been effective in protecting the UK steel industry as a whole?***

As laid out above, there is a need to balance priorities when considering protecting the UK steel industry.

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<sup>3</sup> [Government to strengthen protections for steel industry as trade watchdog warns of 'spikes' in foreign imports | The Chartered Institute of Export & International Trade](#)

The UK has diverse steel needs, both in terms of supporting domestic manufacturing, but also in importing certain types of steel which cannot be produced in the UK due to lack of required infrastructure.

As such, any steel measures must consider both sides of the industry.

Whilst safeguards have been useful policy measures, they are only useful insofar as they are implemented well. This requires forward planning and good communication.

Issues have arisen where decisions to alter existing measures were taken with a very short implementation timeline, which has caused a significant number of issues for both UK government and industry:

- The Department for Business and Trade (DBT) maintains the tariff file for any measures applied at the border and requires sufficient time to update it.
- HMRC then processes this file which is used for the Online Trade Tariff as well as Customs Declaration Service (CDS) data and by the software providers.
- Issues with the tariff file cause problems for import and export entries if the data is not maintained properly.

As laid out in the background to this response, the most recent change affecting steel tariffs came into force on 1 July 2025, as the Secretary of State for Business and Trade chose to amend the steel tariffs, though varied the recommendation made by the TRA.

The initial recommendation was looking to introduce country-specific caps to third country residual quotas from 1 October 2025 at 25% to 40%.

The decision was taken, instead, to bring in smaller caps of 15% to 20% from 1 July 2025 – this decision was made on 24 June 2025.

Importers of steel were preparing for the October caps and therefore a large volume of steel was either already on the water or in ports.

The new quotas were used up on 1 July. The stock already awaiting port-side clearance not only used up much of this quota, but also broke the administration system and created backlogs in many ports. At the time of writing, a fix has still not been implemented, leading to importers being unable to clear their goods.

For Northern Ireland (NI) there could be a consideration around safeguarding exclusions where goods are clearly staying in the internal market, for example in the construction sector. This will support trade between Great Britain (GB) and NI and avoid businesses having to access the duty reimbursement scheme (DRS) to obtain reimbursement of duty paid. It could also prevent businesses from having to pay initial additional tariffs.

***Do you think the UK government should go further to support the steel industry against overcapacity using trade measures?***

UK government policy should be balanced, taking account of the different factors around supply, availability and fair-trading practices. Equally, there is a need to ensure that any measures can be implemented effectively, and in a manner that does not put NI at a disadvantage.

***What type of trade policy lever do you think would be effective at achieving your desired level of tariff protection for steel following the expiration of the safeguard?***

*[You may wish to consider changes in tariff rates, the use of quotas or other options. If you consider more than one lever would be appropriate please rank your suggestions with 1 marking what you deem most effective, and provide supportive evidence where available]*

An important aspect to consider is awareness of UK trade measures and quotas. It is essential that businesses of all sizes have an equal understanding of measures and procedures that apply. This is to protect smaller businesses being disproportionately impacted if they are less aware of requirements.

Beyond safeguard protections, it is important that wider efforts are made through diplomatic channels.

For example, the decisions taken by the Secretary of State for Business and Trade on 24 June 2025 were partially in reaction to the greater threat of increased 'dumping' following policy changes implemented by the US, which then affected steel exporters across the world.

***Is there any steel product not currently covered by the safeguard that you think should be subject to tariffs or TRQs?***

In considering any products not currently covered by the safeguard, the UK should compare measures introduced by other nations and trading blocs to avoid distortion or trade diversion.

***If tariff rate quotas continue to apply, over what period do you think any tariff rate quotas should be administered?***

- Annually
- Quarterly
- Other – please specify

We believe that maintaining the current quarterly system is a wise approach. It is a timeframe businesses are used to and allows for more flexibility for future TRQ changes.

*Do you think developing countries should continue to be exempt from any tariff rate quotas and subject to preferences as set out in the Developing Country Trading Scheme in any future chapters?*

There are several considerations here. If the exemption continues, then there is a requirement that robust evidence of true origin is available to avoid goods moving from an impacted developed country to an applicable developing country under the Developing Country Trading Scheme.

***Based on your view of the future business environment, would you expect UK imports of steel products to change in the next five years?***

- Expect an increase in imports

- Expect a decrease in imports
- Expect imports to remain the same

**Please use this space to provide any views or evidence regarding steel and the steel safeguard that you feel may be relevant to this review and that you do not feel you have had the opportunity to express in your previous answers, such as evidence relating to environmental impact:**

The future business environment is hard to predict. However, based on recent trends, it is quite likely that UK imports of steel products will either remain steady, or grow, in future years. In 2024, steel imports were worth £7.4bn, up £0.05bn or 1% in cash terms on the 2023 figure, according to the Office for National Statistics (ONS).<sup>4</sup>

Demand for steel is likely to remain strong as it is essential for the energy transition and decarbonisation, ranging from renewable energy projects, electric vehicles and solar panels.

It is vital that the UK's steel supply remains stable. When the supply is stable, the manufacturing sector is better supported and so, in turn, the UK's economic security is bolstered.

The cost of construction in the UK has increased in recent years by approximately 15-20% since 2020, as noted by UK Finance, and this is partially attributed to the rising prices of materials such as steel, cement and timber. Additional exacerbating factors have been caused by supply chain disruptions caused by the pandemic.<sup>5</sup> The future projections are not positive, either. The Building Cost Information Service (BCIS) has predicted that building costs will increase by 14% over the next five years, noting that inflationary pressure could impact the cost of construction materials.<sup>6</sup>

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<sup>4</sup> [Trade in Goods: Iron & steel \(67\): WW: Balance: BOP: CP: SA - Office for National Statistics](#)

<sup>5</sup> [The evolving cost of construction in the UK: Trends, challenges, and future outlook | Insights | UK Finance](#)

<sup>6</sup> [Construction Industry Forecast | BCIS](#)

It is clear to see that demand for steel, at a reasonable price, will only increase, and for some nations even more so than others. Northern Ireland manufacturers, for example, have a higher materials cost share (76% of turnover) than the UK average (70%)<sup>7</sup> according to the latest report from Manufacturing NI.

According to the Northern Ireland Statistics and Research Agency (NISRA), production sector output in NI decreased by 1.6% over the first quarter of 2025 (Q1 2025) but increased by 2.8% over the year. The decrease in production output over Q1 2025 was partially driven by a fall in manufacturing. However, NISRA reports that NI indices have had a broadly similar trend in the manufacturing sector since Q3 2017. This suggests that demand for materials needed for manufacturing, including steel, will continue to be relatively steady regardless of trade shocks.

Industry must consider what it can do to support government in preserving stable supply chains, particularly in materials of such strategic importance as steel. Whilst the majority of this submission has focused on imports, there is the flip side to consider with building the UK's steel exporting capabilities, also. To support UK exports, along with sustainable supply chains, the Chartered Institute can support supply chain actors through our understanding of digital trade initiatives, customs procedures and trade agreements in order to map and digitalise trade journeys, thereby reducing costs and time to trade and increasing the UK's export potential.

### **Additional information**

If you have any questions regarding this submission, please email:

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<sup>7</sup> [Manufacturing-and-the-Northern-Ireland-Economy.pdf](#)