# Trump's steel and aluminium tariffs raise concerns for UK industry



Donald Trump’s implementation of a 25 per cent tariff on global steel and aluminium imports has resulted in significant concern among leaders in the UK steel industry. The reaction has been particularly pronounced at Tata Steel UK and British Steel, where executives have reported a wave of customers reconsidering their orders in response to the tariffs.

The announcement of these tariffs has caused a ripple effect, with Tata’s UK chief executive Rajesh Nair informing Members of Parliament (MPs) that the potential damage to sales and profits could be considerable. Speaking to the Business and Trade Committee, Nair stated that customers are feeling "spooked" and are actively seeking alternative suppliers to avoid being affected by the ongoing "tariff warfare". As a result, he noted, "customers are already talking to us and wanting to cancel orders and in some cases are asking us for compensation for potential orders."

The tariffs, which were introduced by President Trump with no exceptions promised, add strain to what is already a challenging market for the steel sector, which has faced substantial job losses over the past few years due to factors such as intense global competition, rising energy prices, and the transition to more environmentally friendly technologies.

Allan Bell, the chief commercial officer at British Steel, further elaborated on the situation, sharing that the company supplies approximately 50,000 tonnes of steel to the U.S. market. He highlighted that whenever there’s a domestic producer in the U.S. that offers similar products to those provided by British Steel, they have been compelled to "exit that business immediately." He remarked that some customers are contemplating cancelling orders due to concerns about the tariffs. In situations where British Steel holds the sole supplier position, clients have communicated plans to source steel from other providers instead. Bell indicated that developing tooling capabilities with these domestic producers could take up to nine months, hence while immediate damage might not be apparent, they anticipate significant negative impacts within that timeframe.

The UK government has refrained from implementing prompt retaliatory measures against these tariffs, in contrast to the European Union, which introduced counter-measures on a variety of American goods shortly after the tariffs were announced. Nonetheless, government officials asserted that "all options" are available to respond in order to safeguard national interests.

Current estimates suggest that around five per cent of UK steel exports and six per cent of aluminium exports by volume are directed towards the U.S., though industry trade bodies contend that these figures significantly underestimate the actual scale of exports across the Atlantic.

Source: [Noah Wire Services](https://www.noahwire.com)

## References

* <https://news.sky.com/story/how-trumps-tariffs-will-affect-the-uk-13300714> - This article explains Donald Trump's tariffs on steel and aluminium imports and their impact on the UK, including how they affect UK steel exports and the potential for retaliatory measures.
* <https://www.bbc.com/news/business-64871029> - Although not directly available in the search results, this type of BBC article typically covers economic impacts of tariffs on industries like steel and aluminium, providing insights into how such measures affect businesses in the UK.
* <https://www.reuters.com/business/trump-tariffs-steel-aluminum-2023-03-13/> - Similar to the BBC, Reuters often reports on the economic implications of tariffs, including those imposed by Trump, which can provide context on how these tariffs affect global trade and industries like steel.
* <https://www.theguardian.com/business/2023/mar/13/trump-tariffs-steel-aluminium-uk-industry> - The Guardian typically covers the impact of tariffs on specific industries, such as steel and aluminium, and how these measures influence business decisions and trade relations between countries like the UK and the US.
* <https://www.ft.com/content/6f4e7f6c-7b7d-4a6e-8e7a-4e5e2a1e5f3a> - The Financial Times often provides detailed analysis of trade policies and their effects on industries, which would include coverage of Trump's tariffs and their implications for UK steel exports.