# UK-US trade deal prompts mixed reactions amid tariff relief and industry concerns



Amidst a backdrop of anticipation and speculation, discussions regarding the newly announced trade agreement between the United States and the United Kingdom dominated the headlines. US President Donald Trump heralded the deal as “comprehensive”, a characterization met with scepticism from various quarters. The Independent notably dismissed it as “putting lipstick on a pig”, suggesting that the scope of the agreement falls considerably short of expectations for a robust free trade deal.

In reality, Prime Minister Keir Starmer’s negotiations yielded limited concessions, primarily focused on alleviating some of Trump’s sweeping tariffs. The BBC highlighted that the agreement merely reduces or reverses tariffs on select goods, rather than delivering the broad-based economic relief many had hoped for. Key agricultural concerns remain at the forefront of discussions, and the UK government has pledged not to compromise on domestic food standards, drawing a firm ‘red line’ against imports of hormone-treated beef and chlorinated chicken.

Despite this cautious optimism, farmers across Britain have responded with a mixed bag of sentiments. While some welcomed the commitment to uphold UK food standards, there was palpable concern regarding the removal of bioethanol targets, particularly as there is a significant shift in trade policy. This concern was echoed by Associated British Foods, whose Hull-based bioethanol plant now faces existential threats due to the introduction of substantial quotas for tariff-free US ethanol, which could destabilise the local market significantly.

The deal has yet to offer the clarity needed for the UK’s steel industry either. While the agreement aims to reduce the 25% tariffs on British steel exports initiated during the Trump administration, industry representatives are pressing for explicit timelines and terms. UK Steel’s Director of Trade and Economic Policy voiced concerns about the lack of clarity regarding supply chain conditions, further underlining the complexities inherent in these international negotiations.

These trade discussions unfolded alongside a noteworthy financial development, with the Bank of England announcing a reduction in interest rates to 4.25% from 4.5%. Governor Andrew Bailey hinted that further cuts could be on the horizon, although specifics remained vague. Economists expect this reduction to stimulate business activity; however, the broader economic landscape appears daunting. The Bank anticipates that ongoing global trade tensions could stifle growth in the UK over the next three years.

The fallout from a recent cyberattack on the Co-op has further compounded difficulties within the retail sector, as the company grapples with disrupted IT systems and dwindling supplies of essential goods. The head of the UK’s cyber security agency advised retailers against paying ransoms to hackers, emphasising the necessity for robust recovery plans in the face of such threats.

The trade deal's implications extend into the consumer sphere as well, with food giant Kraft Heinz urging its coffee suppliers to refrain from raising prices in response to Trump’s tariffs, thereby underscoring the complicated landscape US companies face amidst shifting trade policies.

Amid all these developments, the agricultural sector faces dire conditions, with the Environment Agency reporting that England has experienced its driest early spring in 69 years, prompting warnings of potential crop failures. The National Farmers' Union indicated that farmers have had to initiate irrigation earlier than usual, revealing the vulnerabilities that could be exacerbated by changing trade dynamics.

In a contrasting scenario, WeightWatchers has recently filed for bankruptcy, announcing its struggle to adapt to changing consumer preferences amidst a surge in weight loss injectables. The company’s move highlights broader shifts in the consumer health market, where traditional brands find it challenging to reconnect with younger demographics who are increasingly drawn to innovative health solutions.

With these interconnected narratives playing out on the international stage, one fact remains clear: the intricacies of trade agreements and their repercussions extend far beyond tariffs and quotas, influencing every aspect of the economy—from agricultural practices to consumer choices.

### Reference Map

1. Paragraph 1: [[1]](https://www.thegrocer.co.uk/news/media-bites-9-may-trade-deals-tariffs-and-empty-shelves/704266.article)
2. Paragraph 2: [[1]](https://www.thegrocer.co.uk/news/media-bites-9-may-trade-deals-tariffs-and-empty-shelves/704266.article)
3. Paragraph 3: [[1]](https://www.thegrocer.co.uk/news/media-bites-9-may-trade-deals-tariffs-and-empty-shelves/704266.article), [[2]](https://www.reuters.com/business/energy/future-ab-foods-bioethanol-plant-imperilled-by-us-uk-trade-deal-2025-05-09/)
4. Paragraph 4: [[1]](https://www.thegrocer.co.uk/news/media-bites-9-may-trade-deals-tariffs-and-empty-shelves/704266.article), [[4]](https://www.reuters.com/world/uk/uk-steel-sector-urges-clarity-timeframe-0-us-tariffs-2025-05-09/)
5. Paragraph 5: [[1]](https://www.thegrocer.co.uk/news/media-bites-9-may-trade-deals-tariffs-and-empty-shelves/704266.article), [[5]](https://www.reuters.com/markets/global-markets-repeat-wrapup-3-2025-05-09/)
6. Paragraph 6: [[1]](https://www.thegrocer.co.uk/news/media-bites-9-may-trade-deals-tariffs-and-empty-shelves/704266.article)
7. Paragraph 7: [[1]](https://www.thegrocer.co.uk/news/media-bites-9-may-trade-deals-tariffs-and-empty-shelves/704266.article), [[3]](https://www.reuters.com/business/take-five/global-markets-themes-graphic-2025-05-09/)
8. Paragraph 8: [[1]](https://www.thegrocer.co.uk/news/media-bites-9-may-trade-deals-tariffs-and-empty-shelves/704266.article)
9. Paragraph 9: [[2]](https://www.reuters.com/business/energy/future-ab-foods-bioethanol-plant-imperilled-by-us-uk-trade-deal-2025-05-09/)
10. Paragraph 10: [[1]](https://www.thegrocer.co.uk/news/media-bites-9-may-trade-deals-tariffs-and-empty-shelves/704266.article)
11. Paragraph 11: [[1]](https://www.thegrocer.co.uk/news/media-bites-9-may-trade-deals-tariffs-and-empty-shelves/704266.article)
12. Paragraph 12: [[1]](https://www.thegrocer.co.uk/news/media-bites-9-may-trade-deals-tariffs-and-empty-shelves/704266.article)

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

## Bibliography

1. <https://www.thegrocer.co.uk/news/media-bites-9-may-trade-deals-tariffs-and-empty-shelves/704266.article> - Please view link - unable to able to access data
2. <https://www.reuters.com/business/energy/future-ab-foods-bioethanol-plant-imperilled-by-us-uk-trade-deal-2025-05-09/> - The article discusses how the new US-UK trade deal, which eliminates UK tariffs on U.S. ethanol imports, threatens the future of Associated British Foods' bioethanol plant in Hull. The agreement introduces a 1.4 billion-litre quota for tariff-free U.S. ethanol, significantly surpassing previous export levels. ABF CEO George Weston cited unfair competition from subsidized U.S. imports and existing UK regulations as challenges undermining the commercial viability of the Hull-based Vivergo plant. The plant, which produces bioethanol fuel and animal feed, employs around 150 people whose jobs are now at risk. ABF is urging the UK government to revise import regulations to support domestic producers. Industry bodies like the National Farmers' Union and the Renewable Energy Association cautioned that the deal could harm local arable farming and enable underpriced U.S. imports backed by tax credits. The move follows the closure of INEOS’s Grangemouth ethanol plant earlier this year amid similar import pressures. Britain made the ethanol concession in exchange for U.S. tariff relief on steel, aluminium, and cars. While the government claims the deal will protect manufacturing jobs, ABF warns of increased anxiety among employees and stakeholders in the UK bioethanol sector.
3. <https://www.reuters.com/business/take-five/global-markets-themes-graphic-2025-05-09/> - The article provides an overview of significant global economic developments, including U.S. President Donald Trump's diplomatic tour in Saudi Arabia focusing on trade, security, and energy. It also highlights fresh U.S. economic data, such as inflation and retail sales, which are key to assessing the impact of tariffs. The article notes that Britain has secured a notable trade agreement with the U.S., easing tariffs on key goods while leaving a 10% blanket tariff in place. Additionally, it mentions political challenges in Europe, particularly in Germany, where Chancellor Friedrich Merz faces hurdles after failing a parliamentary vote, casting doubts on his economic recovery plans. The piece concludes by emphasizing the importance of monitoring how trade policies and political developments will shape global markets.
4. <https://www.reuters.com/world/uk/uk-steel-sector-urges-clarity-timeframe-0-us-tariffs-2025-05-09/> - The article reports that the UK steel industry is seeking clarification on when U.S. tariffs on British steel exports will be reduced to 0% under a recent agreement announced by the UK government. While the deal represents progress in lifting the 25% tariffs imposed during the Trump administration, key details remain unresolved, including the formalization of security requirements, export quotas, and specific supply chain conditions. UK Steel's Director of Trade and Economic Policy, Chrysa Glystra, emphasized the lack of a clear timeline and criteria for implementation. The uncertainty persists despite the British government's assurances and the U.S. Trade Representative’s indication that both nations will negotiate an alternative arrangement. The agreement stipulates that tariff removal depends on the UK meeting U.S. supply chain security and ownership conditions in steel and aluminum production. In 2024, the UK steel sector contributed £1.7 billion to the economy, though its future remains uncertain. The British government recently intervened to maintain operations at the country’s last virgin steel producer. UK Steel has appreciated the constructive dialogue with the government but stresses that definitive implementation of zero tariffs would offer immediate and clearer benefits to the sector.
5. <https://www.reuters.com/markets/global-markets-repeat-wrapup-3-2025-05-09/> - The article discusses how global stocks reached their highest levels in six weeks following a U.S.-UK trade agreement that sparked cautious optimism about broader tariff negotiations. The MSCI world index rose slightly after a solid gain the previous day. While analysts noted that the U.S.-UK deal was mostly symbolic, with limited tariff changes, it reinforced hopes that the U.S. might pursue additional deals with countries like India, South Korea, and Japan. The article also highlights that investors shifted from safe assets like German Bunds into riskier investments, reflecting increased confidence. Stock gains were seen across European markets, and major Asian indices also posted rises. Commodities benefited, with oil prices climbing sharply over two days. Bitcoin surged to its highest since January, driven more by increased inflows and investment than general market sentiment. The U.S. dollar edged down from a recent peak, with the euro and British pound gaining slightly.
6. <https://www.reuters.com/markets/europe/tsx-futures-gains-us-britain-deal-china-talks-awaited-2025-05-09/> - The article reports that futures for Canada’s main stock index, the S&P/TSX, rose by 0.4%, driven by optimism surrounding a newly signed trade deal between the United States and the United Kingdom. The agreement partially reduces tariffs, maintaining a 10% U.S. tariff on UK imports while lowering U.S. duties on UK car exports. In return, the UK reduced its tariffs to 1.8% and expanded access to U.S. goods. This development, along with strong corporate earnings, pushed the TSX to a five-week high the previous day. Investors are also focused on the upcoming U.S.-China trade meeting in Switzerland, with expectations that significant progress could lead to a reduction of China tariffs from the current 145%. In commodities, oil and gold prices are on track for a weekly gain, while base metals showed mixed results. In corporate news, Delta Air Lines and Korean Air Lines will acquire a combined 25% stake in Canada’s WestJet Airlines for $550 million from Onex Corp.