

HOUSE OF COMMONS
LONDON SW1A 0AA



Miriam Cates MP

Member of Parliament for Penistone and Stocksbridge

Rt Hon Liz Truss MP
Secretary of State for International Trade
Department for International Trade
King Charles Street
Whitehall
London
SW1A 2AH

28th April 2021

Dear Liz,

Re: Renewal of UK Steel Safeguards

Thank you for the exceptional efforts that you and your department are making to negotiate trade deals with partner nations across the world. The agreements already reached with more than 60 nations across the world represent a significant achievement for Global Britain.

I am writing with regard to the ongoing transition/extension review of the UK's steel safeguards. As the MP representing Stocksbridge, a town with a proud history of specialist steel production, I strongly believe that there is a case for retaining these measures beyond their current expiry date of June 30, 2021.

Retaining and extending the UK's steel safeguards is critical to supporting the steel sector, as it recovers from the hugely damaging impacts of COVID-19 on the sector and the global economy. Stocksbridge Speciality Steels, in my constituency, has been hit hard by the collapse of the aviation industry in particular, and it is widely accepted that this market will take some time to recover.

Whilst I am aware that the initial determination will be an entirely independent one made by the TRA, ultimately the decision to accept a TRA recommendation for extension rests with yourself as the Secretary of State. I am therefore writing to you in advance of any determination to set out why I believe it is very clearly in the UK's interest to keep these measures in place.

Discussions with the steel industry have made clear that the factors that led to the introduction of the EU steel safeguards (global overcapacity of steel, US 232 tariffs, and increasing protectionist sentiment around the world) are still present, and indeed have been exacerbated at a time of weak demand as a result of the global pandemic. Dropping the UK's steel safeguard now would be very damaging for the UK steel sector, especially if this were done unilaterally with the EU and the US maintaining their own import controls. The UK would then be one of the few tariff-and quota-free markets for steel in the world, putting us at serious risk of damaging increases in imports.

It is not yet clear what the Biden Administration plans to do on 232 tariffs, and I understand that all the major economies of the EU (including Germany, France, Italy, and Spain) are now calling for an extension of the EU measures. It is therefore only prudent that the UK proceeds on the basis that these US and EU measures will remain in place, maintaining our own safeguards as long as theirs are in place.

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Member of Parliament for Penistone and Stocksbridge

In answer to the inevitable question as to whether maintaining our safeguards would be in the wider economic and public interests of the UK, I would like to draw your attention to a number of points. Firstly, in my constituency of Penistone and Stocksbridge, the steel industry remains a significant employer providing high skilled, well paid work. Looking at the national picture, the UK steel industry employs 32,600 people directly across the UK and supports a further 41,100 jobs in high-value supply chains; jobs that would be at risk if the measures were removed. The average steel sector salary is £36,000, 18% higher than the UK national average and 36% higher than the regional average in Yorkshire & Humberside. These jobs are therefore vital to our shared mission to level up communities across the country.

It is also increasingly evident that we need a strong and sustainable steel industry to meet our net zero carbon target. A weakening of domestic steel production only increases our reliance on imports, effectively ceding control of our environmental responsibilities to other countries' steel industries.

If the measures were extended, there would be negligible impact on steel consumption because the safeguards allow tariff free imports to continue at levels considerably higher than their historic levels. Coupled with significant additional capacity in the UK, there would be no negative supply or price impacts.

It seems clear to me that the extension of the steel safeguards is of vital importance to the health of the steel sector at this particularly challenging time. I would therefore urge you to accept any recommendation from the TRA that these measures should be extended.

Yours,

A handwritten signature in black ink that reads "Miriam".

Miriam Cates MP
Member of Parliament for Penistone & Stocksbridge