



HOUSE OF COMMONS
BILL ESTERSON MP | LONDON SW1A 0AA

Oliver Griffiths
Trade Remedies Investigations Directorate
North Gate House
21-23 Valpy Street
Reading, RG1 1AF

25th May 2021

Dear Mr Griffiths,

I am writing to you following the recommendation by the Trade Remedies Investigations Directorate (TRID) to remove half of the existing trade defence measures on steel. It is my firm belief that the draft recommendation made by TRID last week should be reconsidered before making a final recommendation to the Secretary of State for International Trade.

The existing safeguards are vital for protecting British steelmakers, the jobs of steelworkers and the communities that rely on them. The measures offer protection against the threat of global oversupply of steel undercutting domestic production. To continue protecting the British steel industry, existing trade defence measures must remain in place beyond the expiry date of 30th June or else risk irrevocably damaging the sector.

It is concerning that the approach TRID has taken in reviewing the trade defence measures for steel does not appear to fully appreciate how the steel manufacturing sector works in the United Kingdom.

The full spectrum of measures is designed to protect the viability of steel as a whole – not just individual production lines. Indeed, the suggested removal of safeguards would mean the manufacture of steel sections, tubes, wire-rods and plates in the UK are all put at risk, with huge consequences for jobs and the communities who rely on these industries for their livelihoods.

Removing trade defence measures on any individual product category will undoubtedly lead to an increase in imports of such products. Higher imports mean reduced sales by domestic producers of each product. Reduced sales in one product, leads to reduced volumes of crude steel required from the blast furnaces and increased cost of each bloom or billet made by businesses affected. Higher production costs make furnace operations unviable, damaging the profitability of other product categories including where trade safeguards are maintained.

This is precisely the kind of concern that Labour pointed out when TRID was set up without a balance of input from industry employers, unions or the governments of Wales or Scotland. I raised exactly these concerns during the committee stage of the Trade Bill about the mandate being given to the Trade Remedies Authority of which TRID is the forerunner organisation.

Far too much emphasis has been placed on the unimpeded functioning of the global market, and not enough on the sensible safeguards which domestic producers and their workers should expect from their government.

Nationally, the UK steel industry directly employs 32,600 people and supports a further 41,100 jobs in high-value supply chains. These are jobs in areas like Teesside, Hartlepool, Cardiff, Scunthorpe, Rotherham and Motherwell, which are areas precisely in need of the levelling up agenda that the government supposedly supports. These jobs will be put at risk if these measures are removed.

I also have grave concerns in respect of the calculations behind your recommendation to remove safeguards on particular product categories including product category 28, Non Alloy Wire. In your draft recommendation, you note that “due to a lack of detailed production data... it was not possible to assess the relative increase in imports.” Yet TRID still recommended the removal of safeguards on Non Alloy Wire.

Analysis from UK Steel shows that producers of Non Alloy Wire are far more likely to be small or medium businesses who are least able to take the financial hit of cheaper imports from abroad when the trade defence measures are revoked. When making your final recommendation to the Secretary of State, I urge you to reconsider your analysis of product category 28 in particular, as well as any other areas where you made a recommendation despite a lack of data to support it.

It is clear to me that the extension of the full spectrum of trade defence measures is of vital importance to the health of the steel sector at this particularly challenging time. The Covid-19 pandemic has been highly damaging to the steel sector and coupled with the removal of trade defence measures it could signal the destruction of the industry in the United Kingdom for good.

I therefore call on you to reconsider your position, change your advice to the Secretary of State, and recommend the full spectrum of safeguards on steel in the UK is continued.

Kind regards,



Bill Esterson MP

Shadow Minister for International Trade