

Non-confidential summary

I would like to express my concern regarding the proposal to apply a 25% import tariff on certain steel products imported from Europe from July 1st this year (TF0006)

This proposal includes the importation of bandsaw strip coil steel (included with the definition of 'non alloy and other cold rolled sheets') which accounts for 45% of our manufacturing cost in producing our finished goods for sale in the UK and abroad.

The specific codes I am referring to are HS codes 72112900 and 72269200

Unfortunately, this revised safeguard measure will only have a detrimental effect on the UK economy.

1. There are no suppliers of this bandsaw strip coil material in the UK. EPS will still be forced to source this material from Europe at a 25% higher cost.
2. This additional cost will only add inflationary pressure to the UK economy as this cost will have to be passed onto our customers.
3. This additional cost, will make our finished goods uncompetitive abroad, so preventing us exporting our finished goods to other markets (exports account for 20% of our revenue)
4. Our European competitors will still be allowed to import finished goods into the UK, without any duty penalty, therefore supporting imported finished goods to the detriment of UK business.

Although this safeguard measure could be seen by some as well meaning, it has the unintended consequences of restricting British Business from exporting their finished goods abroad (by increasing the cost of our raw materials) while supporting the import of the equivalent finished goods (where the duty is not applied) into to the UK at the expense of British Business.

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