

**The National Trade Union  
Steel Co-ordinating Committee**

**Community – GMB – Unite**

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Oliver Griffiths  
Chief Executive Designate, Trade Remedies Authority  
Trade Remedies Investigations Directorate  
Sent by email to: [TF0006@traderemedies.gov.uk](mailto:TF0006@traderemedies.gov.uk)

26 May 2021

Dear Mr Griffiths

**UK Steel Safeguards: TF0006**

We write regarding the ongoing extension review of the UK's steel safeguards, and specifically the recent recommendation by TRID that almost half the safeguards not be extended. We are extremely concerned that this decision endangers our industry's fragile recovery from COVID-19 and has profound implications. Our steel sector is a highly interconnected one and removing the safeguards on some products not only threatens jobs it will ultimately put the viability of entire companies at risk.

The EU introduced the steel safeguards in July 2018 due to global overcapacity and the threat of trade diversion resulting from the US Section 232 steel tariffs, and in a climate of growing nationalist and protectionist sentiment worldwide. These were compelling reasons then and are even more so today. There is no doubt our industry can have a bright future at the core of a low carbon economy, but this will require action to enable our steelworkers to compete on a level playing field. Extending the steel safeguards is an absolutely vital part of this. It should be inconceivable that the UK would choose to leave our industry unprotected and vulnerable when the EU and the US are maintaining their own defences.

As representatives of workers in various steel consuming manufacturing sectors, including engineering and construction, we have a responsibility to take an holistic view of the safeguards measures and the balance of interests of our members. In this context we are firmly of the view that the negative impacts on the steel sector of allowing the measures to expire would wholly outweigh the potential impacts on steel consuming sectors of extending the measures.

Conversely, a unilateral removal of our measures would have a devastating impact on steel production and jobs in the UK. Our steel industry directly employs more than 32,000 workers, and twice as many again in the supply chain and local communities. Steel jobs are high quality jobs



with good terms and conditions, each of which can pay 50% more than the regional average. These steel jobs drive and sustain local economies, and are the foundation of the supply chain for other strategically important sectors including automotive, aerospace, construction and defence.

The steel industry is concentrated in areas of the country where employment opportunities can otherwise be limited, including the North East, Yorkshire and Humberside and South Wales. Every year the industry provides hundreds of young people with apprenticeships, quality training and career pathways, and is a vital source of private sector investment. Steel is, in short, of critical importance to steel communities, local and regional economies, and our national manufacturing base, and has a crucial role to play supporting our future as an independent nation.

It must also be recognised that a sustainable domestic steel industry is vital to achieving our climate change objectives. In the coming years rebuilding our economy and developing the industries of the future, like offshore wind and electric vehicles, is going to require millions of tonnes of steel. There are huge opportunities ahead for our industry, but realising those will require the commitment of all stakeholders. Either we make the steels here, with all the jobs and prosperity that can bring, or we import them from countries that are not subject to the same environmental standards.

We are concerned that TRID's approach to the review does not properly consider the realities and economics of steel production. The high interconnectivity of steel products means that the assessment of product categories independently from each other does not provide an accurate or complete picture of the threat of an increase in imports and the injury that would be caused to the UK sector. Steel companies do not make products in one individual product category but several. They start with the production of crude steel, in which is transformed into 'semi-finished products' and then ultimately into a wide array of 'finished products'.

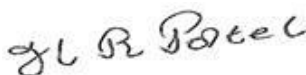
The products are highly interrelated, with the dynamics of the market for one product having a notable impact on others. The production economics of the steel making process means that economies of scale are key. Companies produce multiple products and rely on multiple product lines running at certain rates to ensure high-capacity utilisation of the crude steel production facilities. An integrated steel plant will typically need to run at around a 70-75% capacity utilisation rate before it will break even and begin to operate profitably.

We believe the case for extending all the steel safeguards is overwhelming, and that continuing to protect our industry from threats related to global overcapacity is vital for the steel sector, for the environment, for jobs and for industrial communities across the UK. We urge TRID, on behalf of the many thousands of steelworkers that we represent, to take into account holistic factors in their final recommendation to the Secretary of State for International Trade.

Yours sincerely,



**Roy Rickhuss CBE**  
General Secretary  
Community  
Chair, NTUSCC



**Harish Patel**  
National Officer  
Unite



**Ross Murdoch**  
National Officer  
GMB