



## Department for International Trade


George Hollingbery MP

Department for International Trade  
King Charles Street  
Whitehall  
London  
SW1A 2AH

T +44 (0) 20 7215 5000  
E [enquiries@trade.gov.uk](mailto:enquiries@trade.gov.uk)  
W [www.gov.uk](http://www.gov.uk)

Dr Howard Porter  
CEO  
BEAMA  
Rotherick House  
3 Thomas More Street  
London  
E1W 1YZ

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Thank you for your letter of 27<sup>th</sup> September 2018 about the US tariffs on steel and aluminium and the European Commission's safeguard investigation concerning certain steel products.


We remain deeply disappointed by US tariffs on steel and aluminium imports from the EU. We will continue to seek a constructive, permanent resolution with the US to avoid further escalation that would harm businesses and consumers in both the US and EU. The Prime Minister once again took the opportunity to raise this issue during President Trump's last visit.

The EU imposed provisional safeguard measures, in July 2018, on a range of steel products, in response to the threat of serious injury to European steel producers from US tariffs resulting in steel exporters looking to sell products in to the European market that were previously aimed at the US market, and global overcapacity in the sector. The UK supported the EU imposing these measures, which are a proportional and justified response to US tariffs on steel. The UK is a strong supporter of free trade, but that does not mean free trade without rules.

The provisional measures are based on tariff free quotas, based on historic import trends. The safeguard tariffs will only be imposed if the quotas have been fully utilised and carefully balance the impact to producers with users of steel and ultimately consumers. The measures are due to last for up to 200 days. If the Commission brings forward proposals for definitive measures to replace the provisional measures, we will evaluate whether those definitive measures are justified and proportionate.

I note your concern that welding wires are not covered by the Commission's investigation, and that you and others have contacted Commissioner for Trade Cecile Malmstrom about this on 25<sup>th</sup> July. I also note the points you have raised about companies that have manufacturing operations in China being affected by the origin designation of their exports. However, assuming these goods do originate in a third party they will not be covered through any responsive measures we can take, including those outlined above.

I hope this letter covers all your concerns and I would like to highlight that it is for the Commission to consider whether there is sufficient evidence to expand its investigation and include these products.

A handwritten signature in blue ink, appearing to read 'George Hollingbery', with a stylized flourish at the end.

**GEORGE HOLLINGBERY MP**  
Minister of State for Trade Policy  
Department for International Trade