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Dear Andrew,

Thank you for your correspondence of 16 October, regarding trade defence.

On 7 October, the European Commission announced a new legislative proposal for a trade measure on steel imports into the EU. This will replace their current steel safeguard, which was due to expire in June 2026. The proposed new measure includes increased out of quota tariff rate of 50% and a cut in steel import quotas overall by 47%. You can access the proposed regulation here: <u>EUR-Lex - COM:2025:726:FIN - EN - EUR-Lex.</u>

It is not yet clear when the proposed EU measure will be implemented, or whether the design will be changed as the EU takes this through their legislative process and negotiations with their Free Trade Agreement partners, of which the UK is one.

Whilst this decision is not specifically targeted at the UK, we recognise it will be concerning for many in the UK steel sector and local steel communities. We are taking this very seriously.

We are actively engaging at all levels with the European Commission, and key Member States, with the aim of securing a positive outcome for the UK.

This Government recognises how vital steel is to our economy. This is why we've committed up to £2.5 billion to rebuild the sector. This is in addition to the £500m for Port Talbot. This is while taking divisive action by introducing the Steel Industry (Special Measures) Act, to allow Government to intervene and ensure the continuation of this important national industry and avoid pre-emptive closures.

To support the wider industry, we've taken steps to reduce electricity prices by cutting network charges via the British Energy Supercharger and changed Government procurement rules to ensure UK-made steel is considered for all public projects, giving access to more than £400bn spent by the Government each year. We also remain the only country to benefit from a preferential 25% tariff on steel and aluminium exports to the US, avoiding a global tariff of 50%.

We will continue to take a cool-headed approach to any possible tariffs and remain prepared to defend the UK's national interest where it is right to do so. We reserve the right to take any action in response to any changes to our trading relationships.

However, we also believe we are well-placed to engage effectively with the EU as they take this through their forward process and we are already engaging with the EU regarding the proposal.

My officials will continue to engage with yours as discussions continue with the EU and I will keep you updated in a timely way.

Yours sincerely,

**Sir Chris Bryant MP** 

Minister of State for Trade Department for Business and Trade