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By EMILIO CASALICCHIO and GRAHAM LANKTREE

U.S. TARIFFS ON U.K. STEEL

**STEELING ADVANTAGE:** Pressure is mounting on Britain's trade department to secure a deal to end punishing Trump-era tariffs on steel and aluminum or risk the U.K.'s industries remaining at a disadvantage against the EU's. But it doesn't yet have a timeline for talks.

Last weekend, the [U.S. and EU struck a deal](#) to end the Trump administration's Section 232 national security tariffs on steel and aluminum that took effect in 2018. These tariffs of up to 25 percent remain in the U.K. — which was forced to carry them over after leaving the EU — and must now broker its own resolution post-Brexit.

**EU advantage:** "Given the obvious competitive disadvantage now placed on U.K. steel as a result of Washington's agreement with Brussels, it should be a no-brainer for [Boris] Johnson to try to cut a similar deal with [President] Biden," said Harry Broadman, who served as U.S. assistant trade representative in the George H.W. Bush and Clinton administrations.

Without a deal for the U.K. in hand, "EU steel landing at U.S. ports will almost always be favoured over what will be more costly U.K. metal," said Gareth Stace, director general of UK Steel — putting EU industry at a "substantial competitive advantage."

**Negotiation timeline:** The Department for International Trade (DIT) is not yet sure about a timeline for talks. Many inside the department are still trying to work out why the U.S. chose to do a deal with the EU first — after the Biden administration [took the first step](#) to end the complex Airbus-Boeing dispute with the U.K. back in March ahead of the EU.

**Sooner than later:** British industry figures, however, believe a deal will be done quickly. "I daresay the U.S. will make the U.K. 'an offer it can't refuse' which is identical to the one it made to the EU," said one member of the business community familiar with the tariff dispute. "I would be very surprised if the U.K. didn't accept the same deal. This could therefore move quickly."

As a result, the person said, the U.K. will drop its retaliatory tariffs that targeted Levi's jeans, bourbon whiskey and Harley-Davidson motorcycles.

**Scotch support:** "We want to see a swift return of zero tariffs on all whiskies across the Atlantic so distillers can focus on economic recovery rather than battling damaging tariffs," said Ian McKendrick, international director at the Scotch Whisky Association.