



BritishAmericanBusiness

Finsgate, 5-7 Cranwood Street, London, EC1V 9EE
52 Vanderbilt Avenue 20th Floor, New York, NY 10017
Main line: 212 661 4060 Fax: 212 661 4074
Website: www.babinc.org

**Department for International Trade
Old Admiralty Building
Admiralty Place
London
SW1A 2DY
United Kingdom**

5 July 2021

Subject: Consultation Regarding UK Rebalancing Measures in Response to U.S. Section 232 Tariffs On Steel, Aluminium, And Derivatives

BritishAmerican Business (BAB) is the leading transatlantic trade association created as a result of the merger between the British-American Chamber of Commerce in the U.S. and the American Chamber of Commerce in the UK.

We are committed to strengthening the economic corridor between the United States and the United Kingdom. We support policies and actions that protect and enhance the environment for transatlantic trade and investment on behalf of our members.

BAB sits at the heart of a vibrant transatlantic community of stakeholders and businesses, small and large, which together form and contribute to one of the most successful economic relationships in the world: the U.S. is the UK's largest single trading partner for the UK, accounting for 19% of exports, and the 2nd largest source of imports with 11% of the total. Moreover, the UK is the U.S.' largest foreign investor - \$541 bn in 2017. Conversely, the US is the largest foreign investor in the UK - \$747 bn.

Consequently, BAB would like to take the opportunity to present our point of view regarding the ongoing UK-U.S. steel and aluminium trade dispute, an approach which we have also recently [presented](#) to the Office of the United States Trade Representative (USTR) in the context of its separate Section 301 investigation into the UK's digital services tax:

- Firstly, BAB acknowledges that the ability to impose rebalancing measures in response to unfair practices and measures is an essential component of an independent trade policy. We therefore support the UK in seeking to define clear rules and policies related to trade remedies.
- We also acknowledge that the UK's proposed response to the U.S. Section 232 tariffs on steel, aluminium, and derivatives would be WTO-compliant under the WTO Agreement on Safeguards.
- However, we remain firmly opposed to anything which impedes free and open trade, including punitive tariffs – especially between trusted allies – which impact our members' global competitiveness. We are concerned that, in the context of ongoing parallel disputes,

these rebalancing tariffs would become barriers to trade in themselves, which is why they should be avoided entirely.

- We also note the recent example set by the UK and the U.S. in pausing the Large Civil Aircraft dispute in order to concentrate on finding a negotiated resolution. This initiative led to the much-needed cooperative framework announced in June 2021 through which tariffs were suspended for a period of 5 years and regular dialogue was established to find a permanent solution.
- Finally, while these tariffs do not fall under the scope of the U.S.-UK trade agreement negotiations (which are currently on hold), the prospect of a trade agreement represents a unique opportunity to strengthen dialogue, enhance cooperation, and de-escalate tensions in relation to this and other disputes.

In this context, BAB strongly recommends that the UK Government suspends the introduction of any rebalancing tariffs on the list of products featured in Annex A and instead initiates a robust dialogue with the U.S. Government, with the aim of reaching a mutually agreeable and beneficial negotiated solution to the Section 232 dispute.

BAB stands ready to assist the UK Government further both with the current consultation and with shaping its newly independent trade policy fit for the 21st century.

Duncan Edwards
CEO



Emanuel Adam
Director of Policy & Trade

