



Rt Hon Jonathan Reynolds MP
Secretary of State for Business & Trade
Department for Business and Trade

By email:
reynolds@businessandtrade.gov.uk

29 April 2025

Dear Jonathan,

On Friday I met with union leaders, workers and management at Tata Steel Port Talbot. They are extremely concerned about the situation in relation to steel and would welcome some assurances and support to give greater confidence to the sector.

Whilst there is an understanding that the situation in Scunthorpe was different from the situation in Port Talbot and while I support the UK Government's efforts to rescue the Scunthorpe plant – Welsh steelworkers are concerned that there may be less funding available for Wales in relation to the £2.5 billion Clean Steel Fund.

They are also concerned that immediate trade defence measures need to be implemented to support the steel sector in Wales.

Whilst we understand that negotiations are ongoing with the United States on a future trade deal which hopefully will reduce the steel tariff for the UK (and we would appreciate an update on the latest talks), we are concerned that, irrespective of that deal, the blanket nature of the US tariffs will inevitably lead to steel from a range of countries being dumped on the UK, thus undercutting UK steel.

We would therefore ask the UK Government to urgently introduce the following actions:

- reduce safeguard quotas either through a review of the current quotas by introducing an alternative system better aligned with the challenging market conditions and UK demand. Our understanding is that this would need to be done as soon as possible and at least before July or the current quotas will roll over for the year. We believe that the current quotas reflect a different context and a different time.

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

- strengthen the UK's trade defence framework including measures such as automatic registration of imports, removal of the Lesser Duty Rule and introduce expedited investigation timelines.
- introduce a temporary emergency tariff to stabilize the domestic market while the above measures are implemented. While this tariff may be set at a lower rate than in other countries it is essential to ensure fair competition and a level playing field.
- introduce a significant ring fence within the £2.5bn Clean Steel Fund for activities that benefit Wales, in discussion with the Welsh Government. We understood that this fund was intended to be for capital funding for transformation and not for revenue support. We are concerned to hear that the fund may now be re-programmed to support revenue for the Scunthorpe plant. This would reduce very rapidly the money in the fund, which would be unacceptable to Wales.
- reduce energy prices for large users of energy such as steel works as soon as possible so that they can compete on the global stage.

I would appreciate an update as soon as possible and would of course be very happy to meet at the earliest opportunity to discuss these issues and agree a way forward together.

I am copying this letter to the Cabinet Secretary for Economy, Energy and Planning, and to the Secretary of State for Wales.

Yours sincerely



Eluned Morgan

