

TD0007: Wire Rod from China – Non-confidential versions of evidence submitted to the TRA by downstream businesses

Response 1:

We buy our wire rod that we manufacture our wire products from British Steel at Scunthorpe – though I do believe they are now owned by a Chinese investor company.

We don't import directly from China at all – no wire and no wire rod. As long as British Steel being owned by a Chinese company does not affect anything, we are fine with a large tariff as it would mean more companies could buy from a British manufacturer.

Our main competition is from Spain being able to import their wire products very cheaply into the UK, and indeed this has been subsidised in the past, but I'm not sure if that was by their own government or the UK government, but it did very nearly put us out of business. We are one of a few UK manufacturers now left, after the Covid restrictions last year impacted, so we are hoping the current influx of Spanish Steel is going to slow down.

This is about as much information as I can pass on to your regarding foreign trading, and I hope it provides a small window into our world!

Response 2:

The business involves purchasing wire rod from a UK producer and transforming it in terms of cutting it down to size, cleaning the wire to remove grime, and softening the product (depending on product/customer). The wire rod is then sold on to the automotive industry to make car parts, it goes to recycling sites, and is also used to make garden sculptures and shopping trollies and baskets.

Price for wire rods having been going up each month because of the increase in raw material costs, but also supply chain shortages in the steel industry due to covid-19.

The business has had to increase their prices as a result of the increased price of wire rods. The product has a compliance standard – inspection certificate, chemical analysis, which their customers value, so they will pay the increased price – but this has led to difficult conversations. If the customer is buying the wire for a high value product such as cars then they will want to purchase the British standard product whereas if it is going to a recycling site, to make a composite products, then they will be less concerned about quality.

Over covid-19 they have had to let a small number of staff go because of reduced demand and production capacity.