

Request for input on potential UK measures in response to US tariffs

The Department of Trade and Business

Submission from Unite the Union

April 2025

Introduction:

In this submission Unite the Union will detail the exposure of our manufacturing members to tariffs and our calls for a response based on **exemption**, **reciprocal action** and **international solidarity**. The union is also calling for **genuine consultation and transparency** for the ongoing UK-US trade negotiations and outlines the **key protections** such a deal must seek to achieve.

The UK government must chart a way through these trade talks (and the forthcoming review of the UK-European trade and cooperation agreement in 2026), with an approach that protects workers, our critical industries and public services. The government must be unapologetic about protecting UK interests, including reciprocal use of tariffs and safeguards rather than surrendering important protections, regulations and rights in order to secure deals.

Automotive Industry:

The automotive industry is already facing a low production volume crisis in 2025, which has resulted in two plant closures (Vauxhall Luton and Optare Shelbourne). Several major plants are now at high risk of job losses or possible closure.

The imposition of 25% tariffs on the automotive sector is already worsening this crisis, with production falling further as companies pause build and exports to the US. As Unite has warned the Business and Trade Committee (March 22nd),¹ jobs are at immediate risk.

Unite's response is guided by three goals – **exemption** for UK exports, **reciprocal action** if necessary, and **solidarity** with US trade unions.

Industrial exposure:

16.9% of UK autos exports went to the US in 2024 (up from 10.3% in 2023), but up to 25% of premium sector exports. The West Midlands is expected to be hit hardest by the tariffs, followed by the Northwest and Southeast. Unite notes that the IPPR forecast up to 25,000 jobs are exposed to the impact.²

Sale of UK Brand Cars in the US:

OEM	Model	US Sales 2023	US Sales 2024
Bentley (VW) Crewe	All	3,792	3,303
BMW Oxford	Mini Cooper (ICE)	9,655	9,429
	Mini Convertible (ICE)	5,331	2,208
Rolls Royce (BMW)	All	1,529	1,591

¹ <https://www.theguardian.com/business/2025/apr/22/uk-manufacturers-to-cut-jobs-within-weeks-unless-ministers-can-strike-trade-deal>

² <https://www.ippr.org/media-office/revealed-around-25-000-uk-jobs-at-risk-due-to-trumps-car-import-tariffs-finds-ippr>

Goodwood			
Land Rover (JLR) Solihull and Halewood	LR4 (Discovery)	3,457	3,605
	Range Rover	17,032	23,619
	Range Rover Sport	12,173	20,567
	Evoque	3,194	5,390
	Defender	26,378	30,967
	Discovery Sport	2,681	2,407
	Velar	6,812	7,420
Jaguar (JLR) Solihull	E-Pace	222	321
	F-Pace	5,946	5,024
	I-Pace	297	1,415
	F-Type	1,027	1,363
	XF	882	874
Aston Martin Gaydon and St Athan	All	1,721	1,547

(Source Marklines. JLR figures will include Defender and Discovery exports from plant Nitra.)

In addition to the UK plants which are directly exporting vehicles to the US, Unite members are employed by several US and Canadian companies such as Ford, Cummins (HGV engines), Dana Axles, Caterpillar and NFI (Alexander Dennis buses). These members may face an indirect threat, depending on the financial impacts to these companies.

1) Exemption:

The UK government must secure an exemption for all UK-assembled vehicles and components exported to the US.

In March 2022 the UK secured an exemption for steel and aluminium exports to the US, ending the section 232 tariffs.³ This was supported by US trade unions as UK exports did not compete with or undermine US production and the deal included provision against damaging circumvention by third party nations ("melt and poured" provisions).

Unite supports an exemption for the UK automotive industry on a similar basis on the grounds that UK exports (e.g. Mini, Rolls Royce, Aston Martin, JLR, Bentley) are not made in the US and therefore are not direct competitors.

The government must ensure the exemption is total and that UK assembled vehicles with high European content, European ownership (i.e. BMW or VW) or vehicles including content from Northern Ireland are included in the deal, even if the European Union remains subject to tariffs

2) Reciprocal action:

For the automotive sector Unite is calling for an escalatory approach if a full exemption is not secured.

Escalatory Steps	Note
Exclude Tesla from ZEV Mandate.	The current Zero Emission Vehicles Mandate allows Tesla to trade in credits with OEMs which will not hit thresholds. This acts as a subsidy to Tesla, which must be excluded from the scheme.

³ <https://www.gov.uk/government/news/uk-and-us-resolve-steel-and-aluminium-tariffs-issue>

Exclude Tesla from all UK subsidies.	This must include any current or planned consumer incentives (such as consumer grants or tax relief.)
Tariffs on imports of Tesla models (25%).	Irrespective of the county of export.
Tariffs on imports by all US-owned automotive companies (25%).	Irrespective of the country of export.

Tesla:

The UK remains one of Tesla's most important export markets with 50,334 new registrations in 2024 (2.58% market share). The Tesla Model Y was the 5th bestselling model in the UK market in 2024 and one of the bestselling EVs.⁴

Unite believes Tesla's proven anti-worker business practices and significant US government support are sufficient to be considered 'trade distorting' and subject to tariffs and safeguards. This includes:

- **Illegal anti-union practises** at US plants in Buffalo (New York) and California, recognised by the National Labor Relations Board (NLRB).
- **Paying lower wages** than US industry standard, as set by the 'Big Three'⁵ which collectively bargain with the UAW.
- **Paying lower wages** than European industry standard at the Tesla plant in Berlin Brandenburg, according to IG Metall.⁶
- **Prosecuting the longest strike in Swedish history** (since October 2023) by refusing to agree to collective bargaining with IF Metall.⁷
- **Undermining UK dockworkers wages** by use of chartered ships and insecure stevedore work for UK imports into Southampton.
- **Receiving significant US government subsidies** of up to \$38 billion through government contracts, loans, subsidies, and tax credits. This includes \$11.4 billion to Tesla through regulatory credits.⁸
- **Receiving £200 million in UK subsidies** since 2016.⁹

These issues cannot be separated from Tesla's impact on the UK automotive market, making the company a legitimate target for reciprocal action if a full UK exemption is not achieved.

3) Solidarity with the US trade unions

Unite maintains strong links with the US trade unions, especially the USW (United Steelworkers) and the UAW (autoworkers). Both unions have supported the use of tariffs in order to protect workers in America from offshoring and the erosion of pay and conditions. Unite fully supports these aims and our call for a UK exemption from tariffs is not in contradiction to this support.

Unite supports the comments of UAW President Shawn Fain, who has spoken of the 'thirty-year plus free trade disaster' for workers.¹⁰ The UAW is campaigning for the reshoring of manufacturing work into the US and for an end to the crisis of low volumes and

⁴ <https://www.smmmt.co.uk/record-ev-market-share-but-weak-private-demand-frustrates-ambition/>

⁵ <https://www.businessinsider.com/tesla-pay-vs-ford-gm-uaw-union-factory-workers-2024-2>

⁶ <https://www.businessinsider.com/tesla-german-gigafactory-berlin-brandenburg-low-wages-gruenheide-musk-hiring-2022-6>

⁷ <https://www.etuc.org/en/pressrelease/tesla-fight-collective-bargaining-continues>

⁸ <https://fortune.com/2025/03/19/elon-musk-subsidy-harvesting-strategy-tesla-spacex-xai-doge/>

⁹ <https://www.theguardian.com/technology/2025/jan/08/elon-musk-tesla-has-received-almost-200m-in-uk-grants-since-2016>

¹⁰ <https://uaw.org/tariffs-mark-beginning-of-victory-for-autoworkers/>

underutilisation of plants (which is also faced by workers in the UK.). President Fain has highlighted, for example, that Volkswagen has eliminated a shift at the Chattanooga plant in Tennessee when the company make 75% of their North America product in Mexico for \$7 an hour. Over 40% of their US sales are produced by workers earning poverty wages in Mexico. Similarly, in the UK Unite's counterproposals to identify new affordable electric vehicles which could be built at the Vauxhall (Stellantis) Luton site were rejected by the company on the basis these vehicles could be made in Poland, Morocco and Serbia at lower labour costs and then imported into the UK. Likewise, such thinking will also impact UK plants currently facing internal competition within their multinational companies as investment decisions are imminent for new models.

Over thirty years the automotive industry has structured itself around free trade – fragmenting production processes and offshoring it to low-cost countries at any opportunity. Automotive employers in the US or UK are not moving work to Mexico, Serbia or Morocco because they intend to pay wages comparable to the US or UK. Conversely, this is also why the industry is so vulnerable to trade barriers (such as the threat of a Hard Brexit or trade wars) and international supply chain disruptions. Ending this race to the bottom and securing the footprint of the industry is as much a priority for Unite in the UK as it is for the UAW in the US. There is no contradiction between this shared goal and our call for an exemption for UK exports as members are not in direct competition.

Steel and aluminium

The Trump administration has also reimposed tariffs on UK exports of steel and aluminium. The UK exported 300Kt (£490mn) of steel to the US in 2017 before Section 232 tariffs were imposed in 2018. The UK exported an average of 200Kt (£320mn) over 2018-2021.

The UK and the US agreed a system of tariff rate quotas in 2022 seeing exports recover slightly to 235Kt (£517mn). In 2023, the UK's steel exports to the US totalled 165Kt (£388mn).¹¹

For Unite, these new tariffs are a direct threat to members at British Steel and Howmet Aerospace (aluminium) which produces for export to the US. Similarly, Liberty Speciality Steel and Tata produce for the aerospace and automotive industries respectively, which both export to the US.

As stated previously, Unite is seeking a full exemption for steel and aluminium exports on the same basis as the deal concluded in 2022.

Unite has provided a more detailed submission for the steel industry to the department's Plan for Steel inquiry, which can be [found here](#).

A UK-US trade deal:

At the time of submission, a trade deal is currently being negotiated between the US and UK.

The current level of transparency and consultation remains unacceptable. In the US trade unions are consulted on trade deals including objectives and the potential industrial impact through the Labor Advisory Committee.¹² Unions are also given access to the final text of

¹¹ <https://www.uksteel.org/steel-news-2025/trump-orders-25-tariffs-on-uk-steel-imports-to-the-us-without-exemption>

¹² [https://ustr.gov/issue-areas/labor/labor-advisory-committee#:~:text=The%20Labor%20Advisory%20Committee%20\(LAC,a%20foreign%20country%20or%20countries.](https://ustr.gov/issue-areas/labor/labor-advisory-committee#:~:text=The%20Labor%20Advisory%20Committee%20(LAC,a%20foreign%20country%20or%20countries.)

agreements prior to ratification. Trade unions – and for that matter UK parliamentarians – have no such level of consultation or democratic oversight.

Unite does participate – alongside the TUC and sister unions – in the Trade and Labour Forum with the Department of Trade and Business. This is a welcome forum, but it continues to fall short of the level of necessary consultation and engagement.

In this submission Unite has detailed our calls for the UK-US deal to include an exemption for UK automotive, steel and aluminium exports. The resulting trade deal must also include:

- Enforceable commitments to protect workers' rights.
- Exclusion of all public services, including the NHS, transport and education.
- Exclusion of deregulation including food safety standards.
- Exclusion of all kinds of special courts which allow foreign investors to sue governments for actions that threaten their profits, such as Investor-State Dispute Settlement (ISDS) or the Investment Court System (ICS).
- Include a rapid-response labour enforcement mechanism that would provide for facility specific inspections and appropriate sanctions including denial of entry of goods (safeguards and tariffs), denial of subsidies and denial of access to the government procurement market for businesses that violate the agreement's labour standards commitments.
- Ensure the right of both UK and US governments to enact consumer protection laws, including country of origin labelling.
- Protecting the right of governments to use public procurement to support economic development, improve working conditions and pursue social and environmental objectives.
- Protecting the ability of both governments to regulate tax systems and financial services.
- Protecting the right of both governments to establish and maintain policies necessary to protect consumer data security and privacy.
- Expanding cooperation to combat unfair trade practices including circumvention and evasion of antidumping and countervailing duty cases.
- A full industrial impact assessment to demonstrate the impact on each industry and the knock-on impact on jobs.

The UK-EU Trade and Cooperation Agreement will undergo review in 2026. It is important a US-UK deal does not result in regulatory divergence which prevents UK exports into the European Union.

Beyond the US-UK deal, trade is of vital importance to the UK's advanced manufacturing sectors like automotive and aerospace which are built for export, with global markets and long supply chains. As stated previously however, there is a significant difference between recognising the industrial impact of sudden disruptions (like tariffs), and a strategy which merely seeks to 'return to normal' or prop-up a trade regime which ultimately threatens workers even when (perhaps especially when) it is operating as it is designed to.

Unite is not opposed to new trade agreements but is very sceptical about modern 'Free Trade Agreements' (FTAs) or 'comprehensive trade and investment partnership' agreements, which go far beyond trade itself into areas of privatisation and deregulation. Unite has

published our own analysis and critique of modern trade deals and the implications for workers.¹³

A primary demand from Unite – which will be echoed by sister unions and the TUC – is for any new trade agreement to contain strong labour chapters to protect and advance workers' rights.

That must mean an ability for unions to take up legal cases directly and on issues which go beyond limited 'economic impact' to employers.

Unite opposes trade wars due to the impact on workers, as seen during the 2018-2022 tariffs on steel and aluminium.¹⁴ However, Unite does see an important role for safeguards and tariffs, especially for industries of strategic importance.

On the issue of tariffs and safeguards for trade, Unite has maintained a dialogue with the Trade Remedies Authority (TRA) via the TUC and commends their important work. Unite supports the need for investigations and the use of safeguards to protect against issues such as the Chinese dumping of steel, which resulted in the closure of Redcar steelworks in 2015 and over 2,000 job losses.

The investigations into economic impact conducted by the TRA are important, but the scope must be expanded beyond industry and consumers to include social impact and impact on workers specifically.

Likewise, trade unions must have the ability to raise issues and request investigations directly. In the United States, US and Mexican unions filed the first request for an investigation thorough the United States-Mexico-Canada Agreement's (USMCA) facility-specific Rapid Response Labor Mechanism (RRM) panel. This concerned a dispute at Grupo Mexico's San Martin Mine in Zacatecas. This resulted in the United States formally taking up the case in August 2023.¹⁵ No such mechanism exists in the UK for trade unions to directly call for a trade case – where a breach of a trade deal or similar 'trade distorting' issue related to workers has been identified - to be investigated.

Unite does not support neo-liberal 'FTAs' such as the Transatlantic Trade and Investment Partnership (TTIP), which attempted to embed privatisation and posed a clear risk to our NHS and other public services. Unite would not oppose a trade deal with the United States in principle but would adamantly oppose such a deal on the terms of TTIP. Just as our sister trade unions in the United States, such as the USW, will expect a 'seat at the table' with their trade authority, so UK trade union's must be actively consulted on trade negotiations with the US – with access to the text prior to ratification - to ensure any such deal benefits and does not threaten UK workers.

This should not need to be said to a Labour government, but the UK must not enter into new trade agreements with countries which ban trade unions, carry out human rights violations or are committing acts of genocide.

That means ceasing any negotiation on an FTA with Turkey, due to abuses of labour and human rights as reported by the KESK and DISK trade union confederations. Trade unions face strike bans and political repression in Turkey. The Turkish government is also

¹³ https://www.unitetheunion.org/media/3694/unite_trade-report_final_march-2021.pdf

¹⁴ <https://www.reuters.com/world/uk/uk-us-trade-chiefs-meet-tuesday-steel-tariffs-source-2022-03-22/>

¹⁵ <https://www.whitecase.com/insight-alert/united-states-requests-first-usmca-labor-panel-facility-mexico>

conducting an ongoing campaign of ethnic cleansing against the Kurdish minority, which has extended across Turkey's borders into Iraq and North Eastern Syria.

Similarly, the government must not enter into an FTA with the Gulf States, where trade unions are banned and forced labour, severe exploitation of migrant workers and other labour rights abuses are widespread – as are attacks on women and LGBTQ+ rights.

FTA trade talks with Israel must also be suspended in light of the war in both Gaza and Lebanon.

Beyond these most egregious examples, another feature of FTAs is that the trade-offs to achieve market access result in pitting sectors of the economy against each other. For example, the recent trade deals between the UK and Australia and then New Zealand offered increased access to the UK market for agricultural imports in exchange for expanded access for manufacturing exports. Such trade deals must come with industrial impact assessment to demonstrate the impact on each industry and the knock-on impact on jobs.

About Unite the Union:

This submission is made by Unite, the major UK trade union with over 1 million members across all sectors of the economy including manufacturing, financial services, transport, food and agriculture, construction, energy and utilities, information technology, service industries, health, local government and the not-for-profit sector. Unite also organises in the community, enabling those who are not in employment to be part of our union.

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