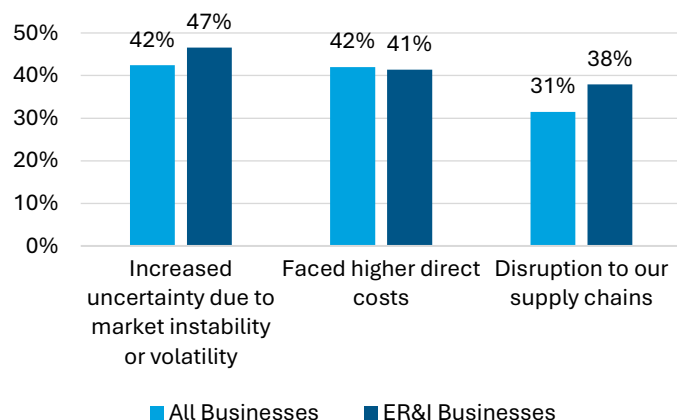




The impact of US tariffs on ER&I

International trade continues to reshape the ER&I landscape, with businesses across the sector feeling the effects of volatile global trade more sharply than ever. Sub-sectors within the ER&I industry that rely on steel and aluminium were among the first to be impacted by increased global tariffs in 2025, while broader economic uncertainty has been felt across all sectors. This industry insight presents a non-exhaustive snapshot of findings from our latest survey on UK businesses' attitudes towards trade, with more comprehensive data and analysis included in the [full report](#).

What impact has the trade policy of the US had on your business?

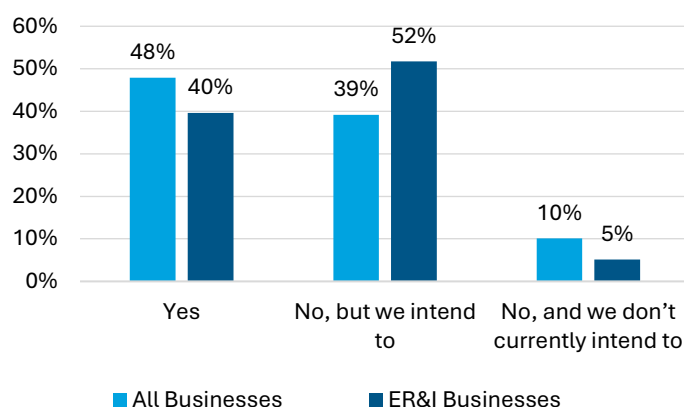


ER&I businesses were more likely than the cross-industry average to cite increased uncertainty due to market instability or volatility (47%) and disruption to supply chains (38%) as a result of the US tariffs introduced in 2025. By contrast, ER&I businesses reported higher direct costs (41%) at roughly the same rate as all other sectors (42%). These results may reflect the industry's exposure to cross-border supply networks, where unpredictability and logistical strain can be felt more acutely than cost pressures alone.

While some of the US tariff changes seen in 2025 exempt some energy products (particularly fossil fuels), significant tariffs have been applied to key component parts, particularly steel and aluminium. Upstream materials that ER&I businesses rely on for production are therefore exposed to tariff volatility, which can drive up costs and complicate supply chains.

ER&I businesses have been more measured in their response to volatility

Has your business explored strategies to mitigate for the possible imposition of new global trade tariffs?



A lower proportion (40%) of ER&I businesses have explored strategies to mitigate the impact of US tariffs than the cross-industry average (48%). However, this does not mean ER&I businesses will not act, as 52% intend to explore such strategies, significantly more than the average of 39% across all industries. Further, only 5% of ER&I businesses stated that they do not intend to explore any mitigation measures.

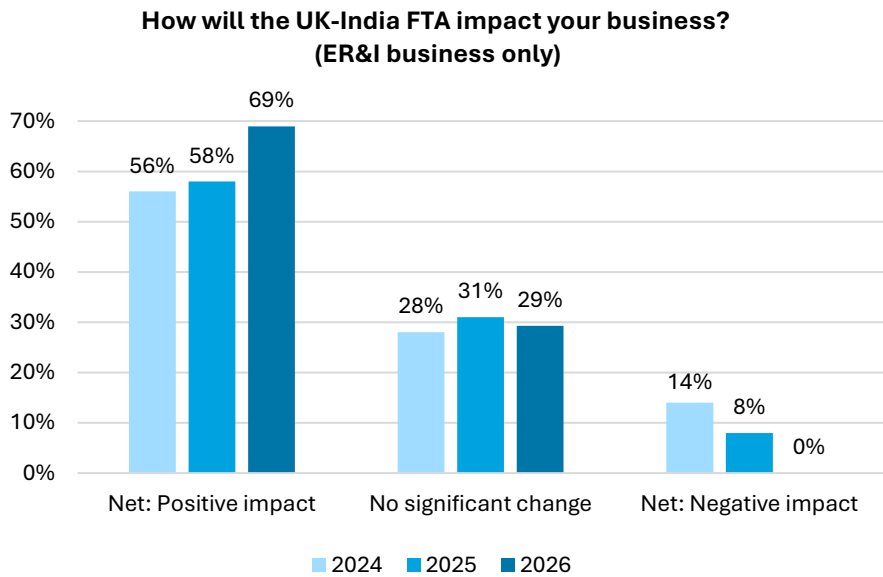
The findings indicate that ER&I businesses may have been waiting for the volatility witnessed in 2025 to subside and for a steadier state to emerge before deciding how to respond.

Of the ER&I businesses that had explored mitigation strategies, the most common measures were raising prices (47%), reorganising supply chains (45%), and expanding into other markets (43%). Notably, these three strategies had all been explored more frequently than the cross-industry average, possibly highlighting the industry's dependence on globally sourced materials. However, reorganising supply chains and entering new markets is a lengthy process, and these measures are likely to take time to materialise.



ER&I businesses are optimistic about the UK-India FTA

In May 2025, the UK and India concluded negotiations on a Free Trade Agreement (FTA). The agreement is intended to reduce tariffs, improve mutual market access, and encourage investment flows between the two countries. While India is already the UK’s tenth-largest trading partner, the FTA reflects a broader effort to diversify trading relationships and deepen engagement with high-growth economies outside Europe.



Our latest survey showed that 69% of ER&I business leaders believe the UK-India FTA will have a positive impact on their business. This marks a clear increase in sentiment compared to before the agreement was finalised and its text published. In our 2025 survey, conducted prior to the conclusion of negotiations, 58% of ER&I business leaders held a positive view of a potential UK-India FTA.

ER&I business leaders highlighted three primary opportunities arising from the FTA: greater access to services, collaboration on innovation and digital technologies, and supply-chain diversification. These findings reflect the sector’s growing reliance on integrated services and technology-driven solutions.

Deloitte’s Attitudes to Trade Survey 2026

This insight was produced as part of Deloitte’s Attitudes to Trade Survey, our annual survey capturing business leaders’ sentiment towards trade policy. Now in its fourth year, we commissioned professional polling agency Opinium to conduct field research with senior decision-makers representing 750 UK businesses engaged in international trade. The full report can be found online [here](#).

For support in assessing your trade and investment priorities, Deloitte’s specialists are on hand to help.



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