Information gathering under Article 9 of Regulation (EU) No 654/2014 regarding US measures on steel and aluminium

Submission to DG Trade by Chambers Ireland

March 2025

About Chambers Ireland

Chambers Ireland is an all-island business organisation with a unique geographical reach. Our members are the Chambers of Commerce in the cities and towns throughout the country – active in every constituency. Each of our member Chambers is central to their local business community and all seek to promote thriving local economies that can support sustainable cities and communities.

Chambers Ireland
Advancing business together

Please provide your views and information regarding effects of the tariffs introduced by the United States against EU exports, applicable as from 12 March 2025, on the EU economic interests, as described in the notice on the information gathering.

In the Irish context, we are concerned about the impact of reciprocal tariffs and the effect they could have on a range of sectors. In terms of sectors, the Irish export economy depends heavily on medical devices are produced by US multinationals operating in Ireland. Equally we are concerned about the Pharmaceutical industry which is deeply important considering the number of multinational companies operating from Ireland.

A study co-authored by Ireland's Department of Finance and the Economic and Social Research Institute (ESRI) found that retaliatory tariffs between the US and the EU would particularly affect Ireland due to our open economy in addition to the State's reliance on such multinational companies.

Any trade dispute between the US and the EU would risk increased prices, a reduction in new jobs and slower growth in the economy. In terms of statistics, the report projects that a prolonged trade dispute could reduce the State's domestic economy by up to 1.8% by 2032. It also forecasts a 3% decline in employment, a 5% reduction in exports and an increase in government debt by 1.8% under a 25% tariff scenario. While this is a worst-case scenario, we are acutely concerned of the possibility of those figures being made reality.

Figures also show that Irish businesses have been preparing for worst-case scenarios. While the figures are noteworthy, a key factor behind the increase in exports is the strategic stockpiling of goods by companies ahead of tariffs introduced under the current US administration. In January, Ireland experienced an 81% rise in exports to the United States compared to the same period the previous year, largely due to a 68% increase in medical and pharmaceutical shipments.

According to the Central Statistics Office (CSO), the State's trade surplus for goods reached €12.2 billion, with exports to the U.S. amounting to €11.7 billion—representing 48.4% of total exports. Imports from the U.S. also experienced an increase, making up 19.7% of overall imports. Although monthly trade data can be unpredictable, the rise — particularly in the pharmaceutical sector — is significant and a sign of planning by companies to mitigate their losses and protect their business model to the best of their ability.

Ultimately we expect any imposition of significant tariffs to result in a dramatic drop in investment by most businesses.

Please provide your views and information regarding the EU economic interests in products imported from the United States that may be affected by the possible EU commercial policy measures in response to the United States tariffs, as described in the notice on the information gathering. See list of products above.

As a general point, it is well documented that imposing tariffs will make affected products less competitive and we have consistently made the point that tariff-based trade policy will have no benefit for any party involved.

Similarly to the economic disruptions arising from COVID, Brexit and the war in Ukraine, businesses in Ireland are proactively planning and developing mitigation strategies to navigate the geopolitical uncertainty. Diversifying supply chains, exploring alternative markets, and adjusting pricing strategies to absorb increased costs are the main areas of activity.

EU countermeasures ought to be measured and proportionate. Greater consideration should also be given by the EU towards the effect on businesses in Northern Ireland where trade safeguards are contemplated. This is particularly relevant in terms of disrupting supply chains for Irish businesses for critical raw materials such as steel, the majority of which is possible to land only at Belfast port in Northern Ireland. Any countermeasure affecting steel would have a disproportionate effect on the Irish companies relying on that supply chain.

The European Union should consider the current situation a strategic disruption which provides challenges but also an opportunity to diversify reliance and increase competitiveness. It is imperative that Ireland and the EU supports key international trade agreements such as Mercosur, the Comprehensive Economic and Trade Agreement (CETA), and other free trade agreements. In addition, the Capital Markets Union and the Banking Union should be progressed in parallel and without delay.

Differences in regulation continue to be the greatest impediment to deeper and wider integration of trade within the EU. As a result of differences in regulation within the Single Market, businesses have to agree on specification changes which increases the costs of trading across borders and also the complexity associated with their business activities. The result is that SMEs are acutely disadvantaged by these barriers to trade and the additional complexity often leaves the exporting business at a disadvantage relative to a local supplier.

Advancing these agreements and integrating the Single Market is within our collective control and the current state of play geopolitically provides further reason for action in those areas to preserve our economic growth, innovation and jobs in the coming years.