



UK STEEL UNDER PRESSURE

Key findings from the Tokio Marine HCC UK Steel Sector Report, May 2026

 Energy costs at 7 year high

 New trade tariffs 1 July

 Credit risk rising fast

KEY DATA

77%

Electricity more expensive in the UK than France and Germany

60%

Reduction in some steel import quotas from 1 July 2026

50%

New out-of-quota tariff rate doubles from existing 25%

9,499

Construction businesses in financial distress, up 49% year on year

17%

Share of all UK business failures accounted for by construction

7%

Companies now paid within 30 days, down 4% on 2025

WHERE CREDIT RISK IS CONCENTRATED

Specialist Fabricators

On fixed-price contracts with 2-5% margins and no cost pass-through

Stockists and Service Centres

Carrying inventory bought at peak Q2 prices, exposed to demand softening

Downstream end-users

Construction and automotive buyers facing post-1 July price levels

Traders and importers

Caught between contracts agreed pre-March and compressed Q2 quotas

H2 2026 will be the most challenging operating period for UK steel since early 2022. Trade credit losses are expected to rise through Q3, concentrated downstream. If any of your customers operate in these segments, now is the time to review your debtor book exposure.