

FINAL

GLOBAL FORUM ON STEEL EXCESS CAPACITY

COMPREHENSIVE FRAMEWORK FOR JOINT ACTION

TO ADDRESS STEEL EXCESS CAPACITY

Milwaukee, Wisconsin, United States
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Introduction: Why Joint Action?

The Members of the Global Forum on Steel Excess Capacity (GFSEC) are market-based steel-producing economies that together account for close to 56 percent of global steel imports. The global steel industry is in a crisis due to challenges resulting from persistent excess capacity and production that are driven principally by non-market policies and practices that originate outside the GFSEC membership.

Excess capacity is sustained by factors including government interventions that shield uneconomic capacity from market forces that would otherwise require its retirement, distorting trade and weakening market-based producers worldwide. These non-market policies and practices have distorted the global steel market and disadvantaged GFSEC Members' steel industries, inhibiting their ability to compete on a level playing field. Without further intervention, excess capacity is projected to continue to increase, further threatening the steel industry, its workers, and its supply chains.¹

Building on GFSEC's Berlin principles from 2017, and acting collectively rather than in isolation, Members commit through this Comprehensive Framework for Joint Action ("the Framework") to address the negative effects of steel excess capacity and, over time, its root causes.

The Framework outlines a list of concrete and effective actions GFSEC Members intend to take through their respective national legal frameworks, reflecting their national circumstances and consistent with their international commitments.

Through their combined and coordinated national initiatives, Members intend to reinforce each other's actions in mitigating the impacts of market-distorting government interventions and practices that create or sustain steel excess capacity. The level of ambition of actions taken in response to excess capacity may vary among GFSEC Members, reflecting their individual national circumstances.

This Framework is a necessary and important first step towards restoring a level playing field for GFSEC Members' steel industries and workers. Addressing the root causes of persistent excess capacity and production will require further concerted and coordinated action in the future.

With this Framework, GFSEC Members reaffirm their collective commitment to restoring

¹ Global steel excess capacity is anticipated to exceed 745 million metric tons in 2028. [OECD Steel Outlook 2026 | OECD](#)

conditions in which efficient and economically viable steelmaking capacity can compete on market terms, while facilitating market-based adjustment and the exit of uneconomic capacity.

The GFSEC's Guiding Principles

In their first Ministerial report in 2017, GFSEC Members, including former GFSEC Members, agreed to six principles (“the Berlin principles”) to guide efforts towards concrete policy solutions to reduce steel excess capacity²:

- I. Global challenge, collective policy solutions
- II. Enhance market function (1): Refraining from market-distorting subsidies and government support measures
- III. Enhance market function (2): Fostering a level playing field in the steel industry
- IV. Enhance the market function (3): Ensuring market-based outcomes in the steel industry
- V. Encouraging adjustment and thereby reducing excess capacity
- VI. Ensuring greater transparency as well as review, discussion and assessment of the implementation of the Global Forum policy solutions

Under this Framework, GFSEC Members recommit to upholding the Berlin principles and to continuing to avoid actions that may create or sustain excess capacity in the steel sector. Members also reaffirm their commitments to the World Trade Organization (WTO) agreements and their objective of promoting a fair and rules-based trading system.

Comprehensive Framework for Joint Action

Building upon the Berlin principles, and consistent with relevant international obligations, GFSEC Members intend to undertake the following actions to address persistent excess capacity and the market distortions contributing to it, within their respective national legal frameworks and considering their national circumstances. GFSEC Members maintain the ability to take measures consistent with relevant WTO and their respective plurilateral and bilateral trade obligations, including the provision of subsidies and other support measures, to counteract the effects of global steel excess capacity.

1. Reduce and eliminate market-distorting subsidies and other support measures by government or government-related entities that contribute to persistent global excess capacity in the steel sector, while recognizing that time-limited restructuring or industrial transition support may be appropriate where it avoids net capacity expansion and enables long-term commercial viability. Members intend to pursue these objectives, through the following actions:
 - a. Refrain from adopting market-distorting subsidies and other support measures that encourage companies to undertake any capacity expansion projects that maintain or establish consistently loss-making or uneconomic steel plants in the market;
 - b. Encourage innovations in the steel sector and implementation of best available technologies among steel producers, including to advance energy and resource efficiency, insofar as this does not distort competition or contribute to excess capacity;

² See “Global Forum on Steel Excess Capacity Report 30 November 2017”, https://www.steelforum.org/content/dam/steel-forum/en/publications/global-forum-on-steel-excess-capacity-report_301117.pdf, p. 8

- c. Share data on subsidies and other support measures by GFSEC Member government or government-related entities, including through fulsome and timely subsidy notifications to the GFSEC annual information sharing exercise and the WTO Subsidies and Countervailing Measures (SCM) Committee and in the context of the WTO trade monitoring process, where relevant.
 - d. Constructively participate in relevant WTO Committees, such as the SCM Committee and Technical Barriers to Trade (TBT) Committee, to address measures contributing to steel excess capacity and market distortions;
 - e. Apply domestic regulations, standards, and conformity assessment procedures pertaining to the steel sector in a non-discriminatory manner; and
 - f. Share information on non-market policies and practices in non-GFSEC Member countries through the GFSEC's annual information sharing exercise.
2. Develop and enhance supply chain transparency through the collection and publication of steel trade data, including "country of melt and pour"³ and other data relevant to steel products, to more effectively identify and take steps to address trade circumvention and suspicious patterns of steel trade⁴:
- a. With relevant national authorities, examine opportunities to develop or enhance public steel import monitoring systems, including developing and initiating procedures to collect and publish "country of melt and pour" data from importers of steel products, and provide an update on these efforts at subsequent GFSEC working level meetings;
 - b. Where permissible under domestic law, exchange trade and other relevant data with other GFSEC Members and the Facilitator in order to identify suspicious patterns of trade involving steel products originating from non-Members; and
 - c. Cooperate with other GFSEC Members, as requested and within available resources, to assist with the development or improvement of monitoring systems, including the collection of "melt and pour" data.
3. Take effective evidence-based actions, consistent with relevant international obligations, to address the market distortive effects of steel excess capacity, including:
- a. Undertake antidumping, countervailing duty, and global safeguard investigations, including possible self-initiation, and implement measures as appropriate, to address the impacts of steel excess capacity on domestic steel industries;
 - b. Apply, where appropriate, other trade measures on imports of steel and derivative products containing steel, from sources of global excess capacity;
 - c. Coordinate to detect and address circumvention of trade measures in the steel sector, including through timely exchange of information on circumvention concerns, shared

³ "Country of melt and pour" means the country where the raw steel contained in a carbon steel product is first produced in a liquid state in a steel-making furnace and poured into its first solid state which can take the form of a semi-finished product that is a slab, billet or ingot or of a finished steel mill product.

⁴ These steps will not require a GFSEC Member to exchange or disclose any information considered confidential pursuant to that GFSEC Member's law. Business confidential information will be aggregated to ensure maximum transparency while protecting sensitive data.

best practices, and customs cooperation, where appropriate⁵;

- d. Adopt and maintain high standards of transparency regarding laws and decision-making on all trade measures, including trade remedies and anti-circumvention actions; and
 - e. Collaborate, where possible and appropriate, on other GFSEC Members' trade actions that address market-distorting government support measures, including by monitoring trade diversion arising from such actions and considering appropriate responses, so that GFSEC Members do not become a backdoor for steel volumes displaced from each other's markets.
4. Assess the extent to which non-GFSEC Members are imposing export restrictions on steelmaking raw materials and direct the Facilitator to analyze the impact of such restrictions on excess capacity. GFSEC Members may consider whether to take appropriate measures in response to any non-GFSEC Member that engages in such practices, consistent with WTO and their respective plurilateral and bilateral trade obligations.
 5. Affirm the [OECD Guidelines on Corporate Governance of State-Owned Enterprises](#) and their recommendations as they pertain to the activities of state-owned enterprises involved in supplying, financing, or otherwise supporting the steel sector and promote adherence to these recommendations.
 6. Consider how to assess the impact on steel excess capacity of weak regulation and enforcement that unfairly lower production costs, with a view to determine whether future action may be appropriate.
 7. Consider examining sources of financing that could materially contribute to or exacerbate global excess capacity, such as in non-GFSEC Member countries, where excess capacity is pervasive and new capacity growth is projected to be in excess of national or regional demand.

GFSEC Members intend to assess, on an annual basis, the impact of the actions taken under this Framework and their effectiveness in achieving its stated objectives.

GFSEC Members further recognize that the use of non-market policies and practices primarily by non-GFSEC Members has created structural issues in the steel sector. Based on the studies and analysis under this Framework and by the GFSEC Facilitator and the OECD Secretariat, Members will determine whether there are additional actions that can be developed to address the sources and root causes of excess capacity and their impacts on Members' steel industries and workers.

⁵ This does not require a GFSEC Member to exchange or disclose any information considered confidential pursuant to that GFSEC Member's law.