

FINAL
GLOBAL FORUM ON STEEL EXCESS CAPACITY

MINISTERIAL STATEMENT

Milwaukee, Wisconsin, United States
30 September 2026

The Ministerial Meeting of the Global Forum on Steel Excess Capacity (GFSEC) convened in Milwaukee, Wisconsin, United States of America, on 30 September 2026, to discuss the worsening global steel crisis and ways to address its continuing impact on their steel industries. The meeting, chaired by United States, brought together Ministers and high-level representatives of the GFSEC Members and other invited countries¹.

Meeting participants acknowledged that, despite the increase of actions and trade remedies taken by individual GFSEC Members, global steel excess capacity continues to increase. Global steel excess capacity is expected to rise from 601 million tonnes in 2024 to 745 million tonnes by 2028, reaching its highest level in a decade and exceeding the current combined production of GFSEC members by 319 million tonnes. GFSEC Member steel industries cannot compete on a level playing field without further collective intervention.

Recognizing the need for effective actions and greater policy coordination to swiftly reverse current trends, the GFSEC Ministers reached consensus on a new Comprehensive Framework for Joint Action.

- 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 international commitments.
- The Ministers tasked the GFSEC to take stock of the actions taken under the Framework and to provide an update at the next GFSEC Ministerial meeting

In addition, understanding that non-market policies and practices (NMPPs) in certain non-GFSEC economies continue to fuel steel excess capacity and pose risks to market stability, supply chains, and employment, Ministers tasked the GFSEC and the Facilitator to:

- Collect and exchange information on NMPPs that are particularly harmful to the steel sector and distort global competition and trade.
- Identify meaningful actions that can address NMPPs and their root causes and consider incorporating such actions into the Framework.

¹ Participants included: Argentina, Australia, Austria, Belgium, Brazil, Canada, Costa Rica, European Union, Finland, France, Germany, Greece, Hungary, Indonesia, Italy, Japan, Korea, Luxembourg, Malaysia, Mexico, Netherlands, Norway, Poland, Slovak Republic, Spain, Sweden, Switzerland, Thailand, Türkiye, United Kingdom, United States, Ukraine and Viet Nam.

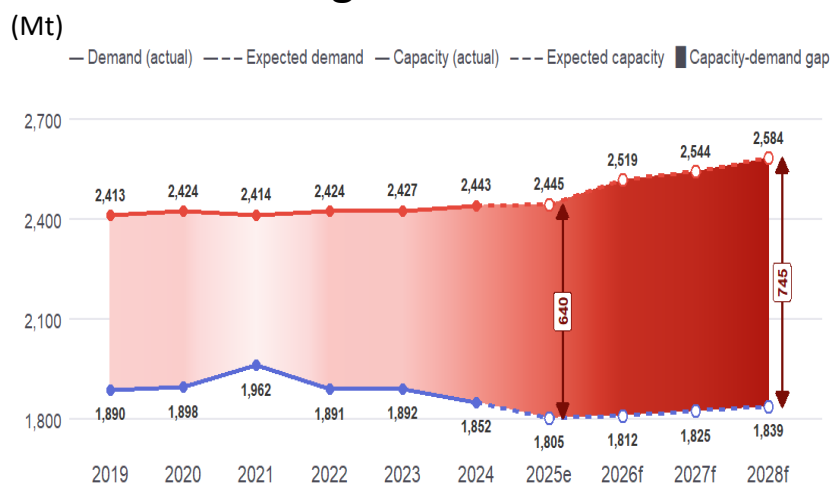
Noting that the GFSEC Terms of Reference will expire on December 31, 2026, GFSEC Ministers tasked the GFSEC to revise its Terms of Reference to extend it for an additional three years. The Terms of Reference should:

- Incorporate the Comprehensive Framework for Joint Action into the mission of the GFSEC, to include considerations for implementation, monitoring, and expansion.
- Affirm commitment to the Berlin Principles and the Comprehensive Framework for Joint Action.

Additionally, Ministers tasked the GFSEC to develop criteria for membership, including transitional phases for new Members.

Annex: Background on steel excess capacity trends

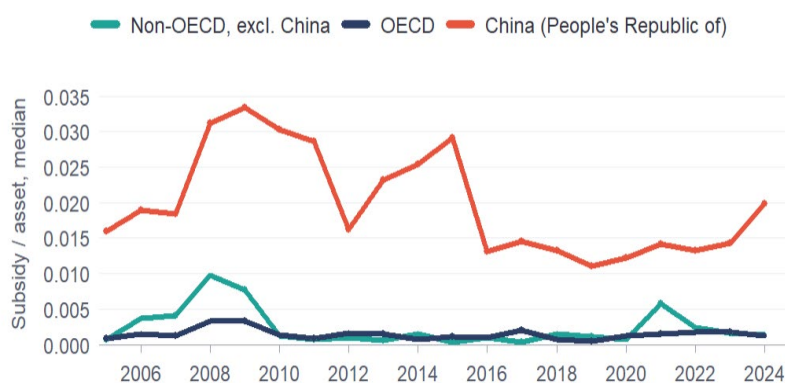
Figure 1. Global steel excess capacity continues to surge towards 745 Mt



Source: OECD (2026), *OECD Steel Outlook 2026*, OECD Publishing, Paris, <https://doi.org/10.1787/99ab9b0c-en>

Steel excess capacity continues to surge. The excess capacity crisis in the steel industry has deepened. Global steelmaking capacity is expanding much faster than steel demand, pushing the capacity utilisation rates well below sustainable levels. Global excess capacity is projected to reach 745 million tonnes (Mt) by 2028, as steel demand grows by a mere 34 Mt while steelmaking capacity expands by up to 139 Mt during 2026-2028. By 2028, global excess capacity would therefore exceed current GFSEC steel production by 280 Mt.

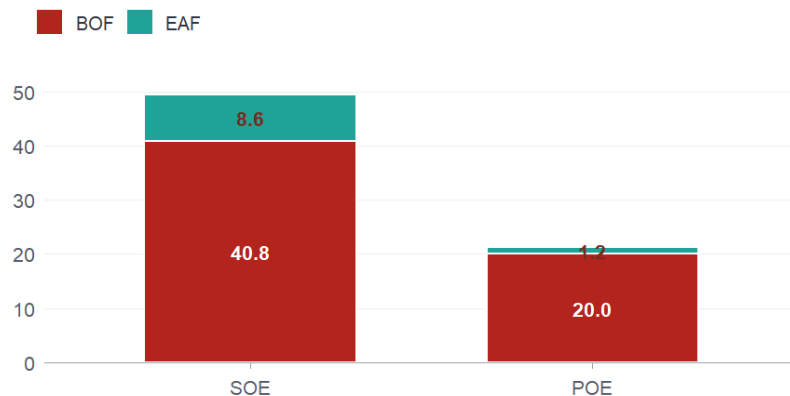
Figure 2. Steel subsidies continue to expand in major non-GFSEC economies



Source: OECD (2026), *OECD Steel Outlook 2026*, OECD Publishing, Paris, <https://doi.org/10.1787/99ab9b0c-en>

The root cause of excess capacity: Steel excess capacity is driven by non-market policies and practices in certain non-GFSEC economies. These include subsidies and other market-distorting support measures that depress market conditions, disrupt supply chains, and harm steel businesses and workers around the globe. In China, the latest data show that the typical (median) steel firm now receives subsidies in the form of grants, tax concessions and below-market borrowings that are approximately 15 times higher relative to its asset size than a typical firm elsewhere. Moreover, China's steel subsidy rate has nearly doubled since 2019.

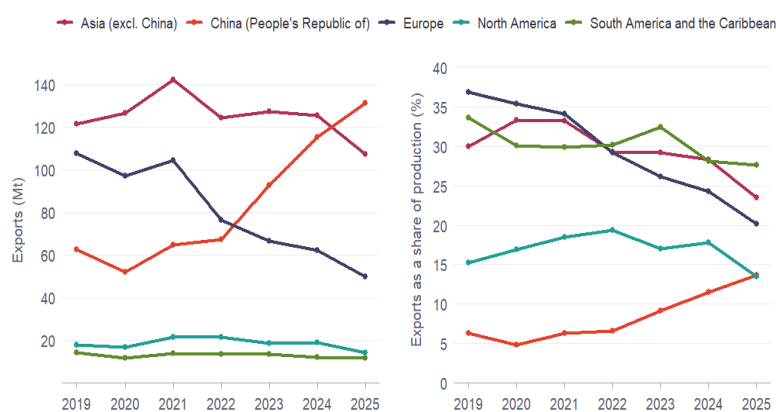
Figure 3. Chinese SOEs are investing heavily in large steel plants abroad
(Mt)



Source: OECD (2026), *OECD Steel Outlook 2026*, OECD Publishing, Paris, <https://doi.org/10.1787/99ab9b0c-en>

Cross-border investments are fueling global capacity growth. Chinese steelmakers are adding 70 Mt of new capacity, particularly in Southeast Asia and Africa. 70% of Chinese cross-border investments include at least one state-owned enterprise (SOE). The average capacity per project for SOE-involved investments is 3.3 Mt higher than the 2.4 Mt average for private-owned enterprises (POE), indicating a tendency for larger-scale investments by SOEs. The activities of SOEs warrant attention as a conduit for supporting steel capacity expansions abroad.

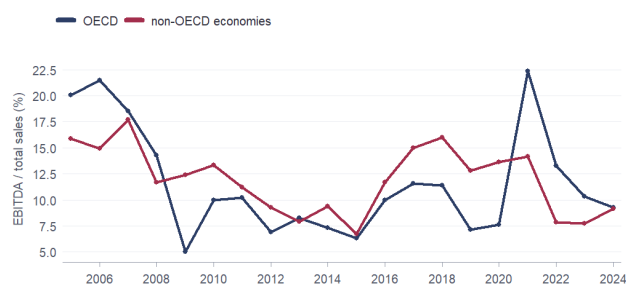
Figure 4. China's steel exports have surged, crowding out exports from other areas



Source: OECD (2026), *OECD Steel Outlook 2026*, OECD Publishing, Paris, <https://doi.org/10.1787/99ab9b0c-en>

Sources of excess capacity are flooding international markets with steel. Countries that engage in non-market policies and practices typically suffer from significant excess capacity. Sources of excess capacity typically offload their surplus steel in international markets, creating trade disruptions and dislocating efficient steel production elsewhere. With most of the world's excess capacity located in China, and as domestic demand for steel stagnates in China, Chinese producers are redirecting their output to foreign markets to compensate for lost domestic sales. Steel exports from China have exploded as a result, rising to a record 131 Mt in 2025, up 153% since 2020 and exceeding the total steel production of the largest GFSEC Member, the European Union, in 2025.

Figure 5. Excess capacity is weighing heavily on the profitability of steel firms around the world

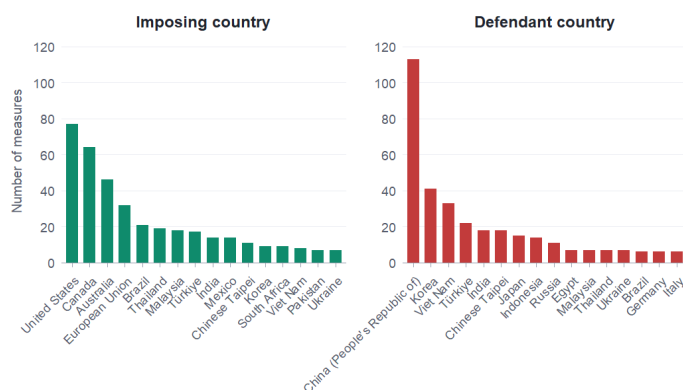


Source: OECD (2026), *OECD Steel Outlook 2026*, OECD Publishing, Paris, <https://doi.org/10.1787/99ab9b0c-en>

Bringing profitability back to the steel industry. Global excess capacity depresses steel prices, utilisation rates and profitability for steel producers everywhere. In 2024, profitability in the steelmaking sector remained very weak, reflecting the pressures of overcapacity on prices, with earnings before interest, taxes, depreciation and amortisation (EBITDA) at levels below 10% relative to sales. Profitability rates this low are not sustainable because they hamper investments in product and process innovations, resource efficiency and the adoption of best available technologies. Addressing excess capacity and its impact will bolster profitability and ensure the long-term viability of the steel industry.

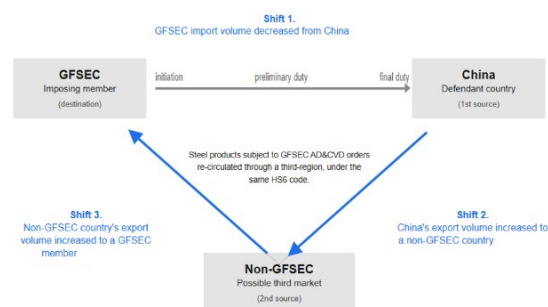
Taking effective trade actions. Many GFSEC Members are initiating and/or imposing trade remedy measures and other trade actions to address the impacts of steel excess capacity. In some instances, however, countries with a weaker trade enforcement toolkit, including trade remedy frameworks, can suffer from steel being diverted to their markets. At the same time, suspicious trade patterns, including circumvention of trade actions, appear to be on the rise, undermining the effectiveness of members' actions. Building strong trade enforcement toolkits and implementing effective trade actions, working together to identify suspicious trade patterns and prevent circumvention, and enhancing policy coordination are key to addressing the negative effects of excess capacity on GFSEC members' steel industries and workers.

Figure 6a. Active trade remedy measures by imposing and defendant country



Source: OECD (2026), *OECD Steel Outlook 2026*, OECD Publishing, Paris, <https://doi.org/10.1787/99ab9b0c-en>

Figure 6b. Suspicious trade patterns following GFSEC trade remedy actions



Note: Out of 68 active AD/CVD measures initiated by GFSEC members against China since 2016, there were 28 instances where all the following occurred: China significantly reduced its exports of the given product to GFSEC members, China significantly increased its exports of that product to non-GFSEC economies, and non-GFSEC economies subsequently exported that product back to GFSEC members.