Global Forum on Steel Excess Capacity Ministerial Statement

10 October 2025

A Ministerial Meeting of the Global Forum on Steel Excess Capacity (GFSEC) was convened in Gqeberha, South Africa, on 10 October 2025, to discuss the worsening global steel crisis and the distortions caused by excess capacity.

The meeting, chaired by Australia, brought together Ministers and high-level representatives of the GFSEC Members and other invited countries.[1]

Meeting participants recognised the deepening global steel excess capacity crisis, its sources and impacts, and the need for effective actions and greater policy coordination to swiftly reverse current trends. Non-market policies and practices (NMPPs) in non-GFSEC economies continue to fuel steel excess capacity, including through cross-border investments and transnational subsidies, posing risks to market stability, employment, supply chains and decarbonisation efforts. The impacts of trade diversion, circumvention of trade measures, and indirect steel trade have intensified, along with a notable increase in trade actions.

Global steel excess capacity is expected to rise from 601 million tonnes in 2024 to 721 million tonnes by 2027, reaching its highest level in a decade and exceeding the current combined production of GFSEC members by 248 million tonnes. Annex 1 provides further information on the worsening steel crisis.

Recognising the urgency of the crisis, GFSEC Ministers have committed to address the root causes and negative effects of global steel excess capacity through a comprehensive framework for joint action.

- Ministers tasked the GFSEC to begin developing the foundation for a comprehensive framework for joint action to address the global steel crisis at the next working-level meeting in November 2025 with a view to agreeing on key elements by June 2026.
- Ministers further agreed that GFSEC Members should take immediate actions, where possible, to address global steel excess capacity and its impacts on steel-producing countries.
- Ministers recognised the importance of steel supply chains and the need for them to operate based on market principles. Ministers further agreed to share experiences and examine approaches to address policies and practices which threaten the integrity of these supply chains among GFSEC Members.

[1] Participants included: Argentina, Australia, Austria, Belgium, Brazil, Canada, European Union, Finland, France, Germany, Greece, Hungary, Italy, Japan, Korea, Luxembourg, Mexico, Netherlands, Norway, Philippines, Poland, Slovak Republic, Spain, Sweden, Switzerland, Türkiye, Ukraine, United Kingdom, and the United States.

GFSEC Ministers agreed to enhance monitoring activities with a particular focus on non-market policies and practices outside the GFSEC membership that drive steel excess capacity, including through financial and ownership arrangements.

- The Facilitator and GFSEC members will collect and share information on NMPPs, including through research and consultations with stakeholders and external experts. Information and analysis will be incorporated as appropriate into the new GFSEC data and visualisation tool launched at the Ministerial Meeting and will contribute to the development of methodologies for defining unfair trade practices.
- Members will update each other regularly on their use of existing and new tools at working-level meetings of the GFSEC through 2026, with a view to coordinating their actions wherever possible, ensuring transparency, promoting discussion and developing indicators of effectiveness.
- GFSEC Members will further examine and collect information on the financing of projects in the steel sector involving public and private financial institutions, multilateral development banks and other relevant entities, to assess whether such projects contribute to global excess capacity, with a view to considering possible next steps.

GFSEC Ministers agreed that Members should share experiences and build greater transparency and understanding regarding trade actions and their effectiveness in addressing global excess capacity.

- GFSEC Members will share information on how to collect and publish data such as 'melt and pour' and other relevant trade data[2] for steel products; trade actions taken in response to global excess capacity; and on detecting, addressing, and deterring all circumvention behaviours with a view to enhancing Members' capabilities and their respective tool kits in these areas.

GFSEC Ministers agreed to intensify outreach efforts to expand GFSEC membership, including through potential observer status

- Increased membership would consolidate the international effort to address the urgent problem of global steel excess capacity, while encouraging interested countries to adhere to the principles and policy recommendations of the GFSEC, thereby promoting greater market stability.

[2] The country of "melt and pour" refers to the original location where the crude steel is first produced in liquid state in a steelmaking furnace and then melted and poured into its first solid shape.

Annex 1 – Background on the global steel excess capacity crisis

Global steel excess capacity is expected to increase to 721 million metric tonnes by 2027, unless policy reforms are taken to reverse this trend. The worsening global steel excess capacity trend is being driven by a wide range of non-market policies and practices (NMPPs) that fuel new capacity growth that exceeds underlying market demand, including through cross-border investments by state-owned enterprises, or by artificially sustaining inefficient, loss-making steel producers that would otherwise exit the market. NMPPs distort markets and put jobs, investments and supply chains at risk. In the absence of global steel excess capacity, GFSEC members would have employed at least 113 000 additional workers in the steel industry. [3]

The sources of steel excess capacity are increasing their ongoing reliance on market distorting exports to alleviate their steel overcapacity and market imbalances. These exports create severe trade disruptions, production declines and job losses for GFSEC and other market-oriented steel industries that produce steel efficiently. This leads to weaker industrial supply chains, reduced investment in innovation and next-generation production technologies, and puts the economic security of market-oriented economies at risk.[4]

The growth in global excess capacity has a negative impact on global emissions and seriously reduces the financial capability of steel companies to invest in new and existing technologies needed in order to significantly reduce emissions. For example, the iron and steel sector contributes up to 8 per cent of global carbon emissions.

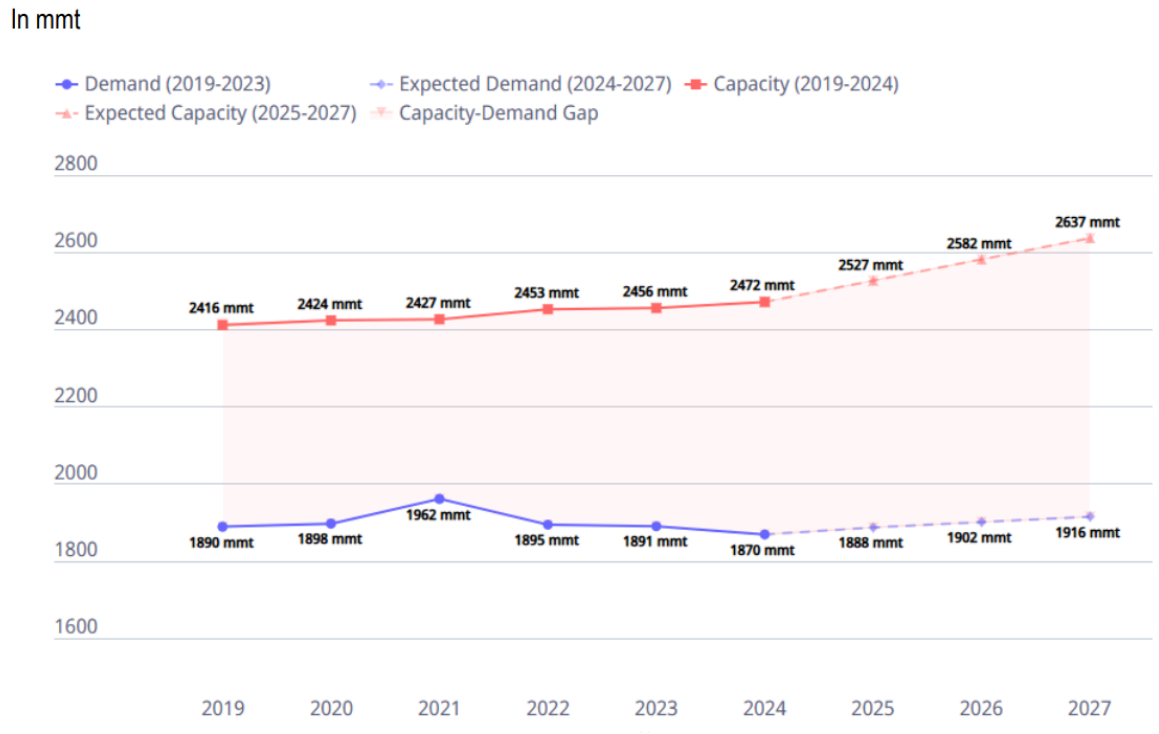
While trade measures are on the rise to address the consequences of global steel excess capacity, their effectiveness is undermined by actions to circumvent these measures. Moreover, market-oriented trading partners with open markets and/or lower trade barriers are facing growing import pressures as steel from sources of excess capacity is diverted to their markets, placing further risks on the viability of their steel industries.

These developments are not sustainable. They require enhanced international cooperation and strengthened policy coordination among steel-producing economies that are adversely impacted by global steel excess capacity and share the GFSEC's concerns.

[3] See the March 2025 GFSEC report "Global Excess Capacity and Employment in Steel and Downstream Activities" at www.steelforum.org.

[4] For details on the harmful impacts of global excess capacity on GFSEC steel industries, see the March 2024 report "Impacts of Global Excess Capacity on the Health of GFSEC Steel Industries" at www.steelforum.org.

Global steel excess capacity is forecast to increase to 721 million tonnes by 2027



Source: OECD desk research for capacity data and demand and OECD estimates of steel demand derived from its long-term steel demand model, taking into account the Short-Range Outlook published by the World Steel Association (https://worldsteel.org/). Linear interpolation was employed.