

The logo features a blue gradient background with a pattern of light blue and white circles of varying sizes on the left side. The text 'Global Forum on Steel Excess Capacity' is written in white, bold, sans-serif font on the right side.

Global Forum on Steel Excess Capacity

Ministerial Statement: tackling global steel excess capacity to preserve the viability of GFSEC steel industries

Meeting in Paris on 8 June 2023, Ministers and high-level representatives of Argentina, Australia, Austria, Belgium, Brazil, Canada, Finland, France, Germany, Greece, Hungary, Italy, Japan, Korea, Luxembourg, Mexico, Netherlands, Norway, Poland, Slovak Republic, South Africa, Spain, Sweden, Switzerland, Türkiye, United Kingdom, United States and the European Union:

- Recognised the critical and strategic role the steel industry plays in their economies. Steel is the backbone of manufacturing and construction, and is needed for high-value activity across a range of other strategic economic sectors, including infrastructure, mining, energy and transportation. The steel sector accounts for 8% of global CO₂ emissions.
- Expressed grave concerns about the worsening trend of global crude steel excess capacity and the detrimental effects it is having on their steel industries, including on steel production, workers and the sector's long-term financial health. They acknowledged that global excess capacity, which is expected to increase to 644 million tonnes by 2025, has been fuelled by factors including government interventions that distorted markets and competition, tilted the playing field towards inefficient producers, encouraged unfair trade practices, and disadvantaged efficient and sustainable production. They noted the environmental implications of excess capacity, with much of the current and expected capacity growth outside of the GFSEC having an impact on global carbon emissions. They agreed that excess capacity constitutes the largest threat to the long-term viability of this critical industry.
- Noted that much of the investment in new capacity, including by state-owned enterprises, has the potential to produce significant volumes of steel, thereby worsening the excess capacity problem and raising the risk of a global steel crisis at a time when the industry needs market stability and financial health to innovate and make the transition to a sustainable future.
- Considered that the excess capacity challenge facing the steel industry has an important global dimension that needs to be addressed by accelerating international co-operation and dialogue with key steel-producing economies and partners at all stages of the supply chain from around the world. The GFSEC should work towards expanded membership and strengthened global co-operation in line with members' commitments under the multilateral trading system.
- Urged the GFSEC to deepen its substantive work as a basis for strengthening global co-operation and the development of tangible policy options for addressing global excess capacity, and its negative impact on sustainability and the economic health of the industry, taking into account the key aspects of relevance to this. This includes monitoring trade flows

along the steel value chain, and their impacts on global steel industries, and encouraging countries to refrain from market-distorting government interventions. They recognised the importance of regularly monitoring the situation, reviewing developments and consulting at the Ministerial level again to consider what further actions may be needed.