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Steel trade and trade policy developments

2025 Edition

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Executive summary

Global steel trade volumes are on track to contract by 0.7% year-on-year in 2025, following strong growth in 2024. However, despite this global steel trade contraction, steel exports from the People's Republic of China (hereafter China), after doubling already between 2020 and 2024, continue to expand rapidly by 14% in 2025 year-on-year, possibly surpassing last year's record level. At the same time, all remaining steel exporting countries export about 21% less steel in 2025 in annual terms than they did in 2020. This shows that exports from China not only grow strongly but also crowd out exports from other steel-producing countries.

An increasing share of the global steel trade is concentrated in Asia. The region accounts for 52% of global exports and 21% of global imports, with Chinese steel imports continuing to decline rapidly. Beyond China, ASEAN is emerging as a central trading hub, exporting 5% and importing 13% of the world's steel. Europe and the USMCA remain major importers but represent a decreasing share of global exports. Other OECD countries follow a similar trajectory. Imports into South and Central America grew by 80% between 2020 and 2025, while the region's exports fell by 6%. Although the Middle East, Africa, and Oceania remain marginal players in global steel trade, imports into all three regions, especially from China, have expanded significantly.

The growth in Chinese steel exports varies by destination region, with ASEAN remaining the largest recipient and Türkiye experiencing the fastest growth in imports from China. Chinese market penetration is particularly visible in products such as ingots and flat and long steel products, where export price declines have been the most pronounced.

Countries are responding to growing imbalances in global steel trade in 2025 with a diversified set of policy and non-policy tools. U.S. trade actions and trade actions taken by other economies have triggered shifts in trade patterns and a range of policy responses. Canada has reinforced its customs tariffs and imposed new measures. The European Commission announced a proposal to introduce a new tariff rate quota system to tighten its current safeguard mechanism. At the global level, the number of anti-dumping and countervailing duty (AD/CVD) trade actions reached record levels with 87 new measures imposed in 2024 and at least 31 investigations started in the first half of 2025, the highest numbers since 2016. China remains the main single target of anti-dumping and countervailing duty activity, accounting for about half of the new investigations in 2025. The geographical distribution of trade defence activity has broadened, reflecting the growing exposure of both major and emerging steel producers to unfairly traded imports.

Trade policy debates increasingly extend beyond traditional measures to focus on improved data collection and faster analytical capacity. Requirements such as "melt and pour" rules are gaining prominence to ensure accurate origin tracing of imported steel, and timely, targeted trade measures are becoming more critical to achieving policy effectiveness.

Excess capacity is the underlying driver of the surge in steel exports from China. Excess steel capacity is transmitted internationally through multiple trade channels, which may be directly related to excess capacity or are diffused further following the imposition of trade actions. Both these excess capacity-induced and trade policy-induced channels work via primary and secondary mechanisms. Primary channels of diffusion of excess capacity shocks include exports of steel and steel-embedded products from excess capacity economies and have immediate effects on importing economies. Secondary channels unfold more gradually, as intermediary economies saturated with imports redirect their own surplus production abroad, which can often be amplified by foreign direct investment (FDI) from excess-capacity producers. Trade-policy-induced channels arise as countries introduce defensive measures in response to underpriced imports. The primary outcomes from trade policy actions are, if policy is effective, drop in exports to the economy that enacted the measure, which sometimes prompts exporters to find alternative, and often time less-protected, markets or to modify products to circumvent said measure. The paper highlights these effects using a regional example, with data from Latin American steel markets are analysed to demonstrate complex dynamics of transmission of impacts from excess capacity on the market, underlining the need for broader, and to the extent possible, coordinated policy responses across members. The taxonomy of primary and secondary channels through which excess capacity impacts trade flows can help articulate further research questions on steel trade for the Steel Committee and can be exemplified with data for other regions in future reports.

U S

1 Introduction

The global steel market is facing rapid growth in exports from countries generating excess capacity. In recent years, the global steel market has experienced a significant surge in exports from countries with substantial excess production capacity. This trend has become particularly pronounced during 2023 and 2024, with Chinese steel exports more than doubling compared to 2020 levels. More recent monthly data from 2025 suggest that Chinese exports may surpass last year's record level. The rapid expansion of steel shipments from China, alongside other excess capacity countries, has generated oversupply conditions in international steel markets, disrupting trade flows and exacerbating tensions among steel-producing nations worldwide (OECD, 2025[4]).

Outside of China, however, steel trade momentum has weakened. Global steel trade volumes contract by approximately 0.7% in Q1 2025, following strong growth in 2024. This contraction reflects a general global slowdown in merchandise trade and GDP growth, which is projected to fall to 2.9% in 2025. The steel trade slowdown in 2025 is driven by declining exports originating from India and ASEAN (even though exports from ASEAN grew strongly in the previous years) and shrinking demand for imported steel across Asia.

Global steel exports continue to shift towards Asia. The shift is driven by the growth of Chinese exports, even as exports from other Asian economies appear to be falling. The other major development is the contraction of output and trade in traditional steel-producing regions. Global steel exports excluding China fell by 21% from their 2020 levels by 2025. ASEAN countries are emerging as both key export destinations and growing importers of Chinese steel. Outside of Asia, Central and South America, Türkiye, and Africa are absorbing larger volumes of Chinese exports, which have possibly been redirected from their traditional export destinations. Steel producers across the Committee's membership are being negatively impacted. For example, European exports are declining significantly, and the region's reliance on imported steel continues to rise.

Recent developments in global steel trade policy illustrate a decisive shift towards mitigating the negative impacts of global excess capacity on domestic markets, with an increasing use of more active and adaptive trade management measures. The steel sector is becoming a key testing ground for new forms of trade intervention, as existing policies are not as effective as hoped.[1] Governments are using a range of trade remedy and national security measures to address imports. Tariff increases under Section 232 in the United States and parallel measures in other economies, together with a growing number of anti-dumping and countervailing duty actions, underscore the growing common perspective among many economies to shield strategic sectors from global market distortions. Some economies have adopted other approaches, such as tariff-rate quotas and safeguard mechanisms to protect their industry against trade diversion, import surges, and price shocks. Governments are also developing monitoring

[1] See, for example, GFSEC commitments in the 2025 Ministerial Statement regarding a new comprehensive framework to address the root causes and consequences of excess capacity.

mechanisms and requiring additional information on imported products, shifting toward faster and more effective evidence-based trade policy.[2]

The number of new anti-dumping and countervailing duty initiations is at its highest level in a decade. Several countries from ASEAN, Latin America, and the Middle East, which traditionally abstained from investigations into unfairly traded steel products, initiated trade actions for the first time in 2024 or 2025.

Trade measures that restrict access to markets can have unintended consequences. Once the markets with restrictive measures become harder to export to, many steel exporters in excess capacity countries then search for ways to modify their products or redirect their products toward economies with fewer restrictions. Latin America is emerging as one of the destinations for the deflection of export flows, absorbing growing volumes of steel displaced from some OECD markets.

Recognising the pivotal role of excess capacity in the global steel sector, this paper classifies the channels through which it shapes international trade dynamics. The analytical framework separates the transmission mechanisms by what they are initiated by (excess-capacity-induced channels and trade-policy-induced channels) and by the transmission order (primary impact or secondary impact). Among excess-capacity-induced channels, direct export relationships influence the trading partners negatively as exports of steel products and steel-embedded goods exert downward price pressures and imply a loss of market share for domestic producers. Beyond primary direct channels, a secondary wave of effects follows if primary destination markets become saturated, forcing local producers to redirect output first intended for domestic consumption toward external markets and displacing production in traditional importers along the way. Next to this, trade-policy-induced channels arise when governments introduce trade policies that change global trade patterns as they first diminish imports and force the exporters of excess capacity steel to circumvent the measures or deflect their exports toward less-protected economies. These channels are not dynamic and interrelated, however, and exporters in excess-capacity economies are likely to develop new ways to offload their surplus steel in the future, if excess capacity continues to grow and disrupt trade.

The Latin American steel market has become a key testing ground for the global transmission of excess capacity. Global excess capacity is leading to a surge in steel imports into Latin American countries, a decline in regional competitiveness, and intensified calls for defensive trade action, as in many other regions. The region's experience demonstrates that the spillover of surplus production operates through multiple channels, including direct steel exports and the rising inflow of steel-embedded goods (i.e., so-called indirect steel trade), but also through displaced exports and FDI-driven exports.

The remainder of this paper is structured as follows. Section 2 examines developments in global steel trade patterns, tracking exports and imports by region and country since 2020, noting the growth of Asian export dominance, as well as the decline in the strength of traditional export markets. The section provides an analysis of products, their pricing, and the market distribution of growing Chinese exports. Section 3 reviews recent trade policy developments, including anti-dumping and countervailing investigations enacted since 2024. Beyond conventional instruments, it examines the growing importance of near-real-time, data-driven surveillance systems and information collection that is designed to enable faster and more targeted policy response. Section 4 develops a taxonomy of transmission channels through which excess capacity affects global trade and local steel industries. These channels, overlapping or sequential, are presented with a view to future empirical assessment, enabling the identification and quantification of

[2] This document makes numerous references to "low-priced" steel imports. This should not be misconstrued as implying that everything "low-priced" is dumped. Dumping is when a foreign producer sells a product in another country at a price lower than what it sells in its home market or below its cost of production. Also, a trade remedy authority needs to make an affirmative determination that dumped imports are injuring a domestic industry in order for an antidumping order to go into effect.

their respective impacts. Finally, selected channels are tested through a case study of Latin American markets, which have been disproportionately affected by the spillovers of the global excess capacity.

2 Steel trade developments across products and geographies

World steel trade slowed in 2025 after strong growth in 2024. Global trade fell by 0.7% year-on-year in Q1 2025, reversing the 5.8% annual increase observed in 2024. The sharpest declines came from India and ASEAN, which together reduced global steel export volumes by 2.5%. By contrast, China offset much of this drop, exporting 14% more steel in Q1 2025 compared to Q1 2024. China, which already accounted for one-fourth of global steel exports in Q1 2024, added a further 3.8 percentage points to global export volumes in the first quarter of 2025, exporting 28.9% of global traded steel. On the import side, China, Japan, and Korea reduced volumes by a total of 1.87 mmt, equivalent to 1.8% of global imports. Europe recorded the strongest import growth in Q1 2025 at +6.3% y-o-y, rebounding after some decline in prior years (Table 1, Table 2).

These developments mirror the broader global trade outlook and economic growth projections, with overall merchandise trade projected to shrink by 0.2% in 2025. North America is a major driver behind the decline, subtracting 1.7 percentage points from the rate of global trade growth. Asia's contribution has weakened to 0.6 percentage points. Europe's trade growth contribution is projected to add 0.5 percentage points to global growth (WTO, 2025[1]). The downward adjustments to projections of trade growth incorporate the growing trend in the adoption of defensive trade policies and inward-looking industrial policies. Both country- and product-specific tariffs, including on steel, are expected to cause major shifts in global and regional value chains, shifting production and sourcing patterns, and slowing the growth of international trade (UNCTAD, 2025[2]). The world's GDP growth is projected to slow to 2.9% in 2025 and 2026 from 3.3% in 2024 due to increasing barriers to trade, tighter financial conditions, and policy uncertainty. The United States, Canada, Mexico, and China are projected to contribute the most to the global slowdown, while the euro area is projected to grow modestly (OECD, 2025[3]).

Steel demand is following these broader trade dynamics. World steel demand is projected to recover only slightly in 2025 by 1% to reach 1 889 mmt, still below 2023 levels, after contracting by 1.1% in 2024. The stabilisation is being supported by the OECD economies, but as China is unlikely to return to previous peaks of steel demand, its steel excess capacity will likely grow in the years ahead. Steel producers will need to rely increasingly on diverse export markets to compensate for uneven domestic demand trends (OECD, 2025[4]).

Geographical trade patterns show a contrast between massive Chinese growth and falling exports elsewhere

The starkest trend in steel trade is the concentration of exports in Asia, particularly in China, against a backdrop of declining exports in traditional steel-producing economies, including Europe and the Americas, as well as the Middle East. Excluding the growth in Chinese exports, steel exports across the remaining steel producers contracted by 7.4% between Q1 2024 and Q1 2025. Despite this large drop in exports from traditional steel exporters, global steel trade contracted by only 0.7%, as Chinese exports have grown by 14.1% y-o-y in 2025, following a robust expansion of 25% between 2023 and 2024. The continuous trend of export contraction in the rest of the world except China is even starker when

compared with the levels in 2020, when their combined steel exports were more than one-fifth higher than the annualised 2025 levels. (Table 1).

Asia cements its role as the main driver of global steel export growth

Asia exported two-fifths of the traded steel in 2025. Over 75% of Asian steel exports are from China. The dominance of China is even more pronounced than in 2020, when China accounted for about 53% of exports from Asia. Exports from Japan and Korea, which collectively export 14% of the world's traded steel volumes, remained stable, but as more steel is traded, their export share has shrunk by 1 percentage point since 2020. ASEAN countries saw moderate gains in exports (+15% since 2020), although exported volumes softened in Q1 2025. The export gains in ASEAN were driven mainly by Indonesia, where they increased by 80% since 2020, and Viet Nam, which grew its steel exports by 13%. Malaysia's exports declined sharply between Q1 2024 and Q1 2025, doing so by one-third. India's exports halved, falling from over 17 mmt in 2020 to just above 8 mmt in 2025Q1, reflecting strong steel demand growth (Table 1, Table 3).

Next to their prominent position in exports, several economies in the region are significant importers of steel. Asia accounts for one-fifth of the world's imports, with ASEAN being the largest importing region, importing about 13% of the world's traded steel. The largest Asian steel importers are Viet Nam, importing 3.7% of the world's traded steel, followed by Indonesia, with 3.1% (Table 2, Table 4).

Imports are rising selectively in Asian countries. ASEAN countries increased their share of imported steel to 15% in the past five years, up from 12% in 2020. This growth was driven by the biggest regional importers, notably Indonesia (with imports up by 30%), Malaysia (24%) and Viet Nam (10%) (Table 2, Table 4). The ASEAN region was also the major destination for the additional Chinese steel exports, with 60% of ASEAN's imported steel coming from China, an increase of 77% between 2020 and 2024 (Figure 3). India accounts for 2.4% of total world imports, nearly doubling the amount of imported steel since 2020, though growth has slowed in 2025. Korea, after a period of stagnating steel imports, saw a sharp decline, importing three-quarters of the 2024 volumes. China became the main laggard in steel imports, sharply decreasing the volume of imported steel from 38 mmt in 2020 (about 10% of the world's steel imports) to an estimated 7.4 mmt in 2025, equivalent to 1.8% of total imports, a drop of 81% (Table 4).

Table 1. Steel exports slowed across regions, with China continuing to expand

Exported volume of steel in thousands of metric tonnes by region, country and year

		2020	2021	2022	2023	2024	Q12024	Q12025	**Growth 2025-24 Q1**	Share in world trade in 2025	**Growth 2020-25**
Asia		158,839	181,438	165,401	193,440	221,426	53,627	54,365	**1.38%**	52.0%	**36.91%**
	China	53,087	66,208	68,126	94,237	118,219	26,499	30,244	**14.1%**	28.9%	**127.9%**
	India	17,296	20,374	12,106	9,866	9,691	3,497	2,147	**-38.6%**	2.1%	**-50.3%**
	Japan/ Korea	59,653	60,545	57,201	59,222	59,197	14,563	14,637	**0.5%**	14.0%	**-1.9%**
	ASEAN	17,978	23,190	17,744	20,176	24,546	6,406	5,173	**-19.2%**	4.9%	**15.1%**
	Other Asia	10,825	11,121	10,224	9,939	9,773	2,662	2,164	**-18.7%**	2.1%	**-20.0%**
Europe		51,071	53,812	46,285	40,845	44,628	10,725	10,851	**1.2%**	10.4%	**-15.0%**
	EU+UK	30,096	29,500	26,464	26,027	25,551*	6,401*	6,201	**-3.1%**	5.9%	**-17.6%**
	Türkiye	18,680	22,057	17,565	12,721	17,030	3,753	4,303	**14.7%**	4.1%	**-7.9%**
	Other Europe	2,295	2,256	2,256	2,097	2,047	571	347	**-39.3%**	0.3%	**-39.5%**
USMCA		16,992	21,734	21,476	18,816	18,447	4,934	4,551	**-7.8%**	4.4%	**7.1%**
Central & South America		11,677	13,502	13,174	13,610	11,951	3,138	2,748	**-12.4%**	2.6%	**-5.9%**
CIS		47,606	51,764	24,648	17,064	17,821	4,516	3,831	**-15.2%**	3.7%	**-67.8%**
Middle East		4,688	5,022	4,248	5,624	3,228	917	535	**-41.7%**	0.5%	**-54.4%**
Oceania		1,089	833	1,350	1,175	1,312	410	261	**-36.4%**	0.2%	**-4.3%**
Africa		3,584	4,044	3,216	4,163	3,418	854	1,244	**45.6%**	1.2%	**38.9%**
AGGREGATE DATA											
World		395,382	448,945	387,260	399,804	423,101	105,321	104,580	**-0.7%**	100.0%	**5.8%**
WLD - EIT		295,310	331,599	278,055	293,081	321,279	78,464	78,354	**-0.1%**	74.9%	**6.1%**
WLD - EIT - CHN		242,223	265,391	209,929	198,844	203,060	51,965	48,109	**-7.4%**	46.0%	**-20.6%**
OECD		199,916	221,093	205,546	198,967	196,800	50,351	49,569	**-1.6%**	47.4%	**-0.8%**
WLD - OECD		195,466	227,852	181,714	200,837	226,301	54,970	55,011	**0.1%**	52.6%	**12.6%**
Advanced		166,594	182,015	171,003	173,591	167,955	43,253	41,972	**-3.0%**	40.1%	**0.8%**
WLD - Advanced		228,788	266,931	216,257	226,213	255,147	62,068	62,608	**0.9%**	59.9%	**9.5%**

Note: See Annex 4A Glossary for the regional definitions.
Trade numbers for the EU refer only to extra-European trade. The trade in the ASEAN region refers to extra-ASEAN trade only.
*The numbers for the EU and the UK are recalibrated using estimated values for Q1 as values for the UK unavailable in the data.
Source: OECD calculations based on ISSB data.

China is on track to reach a historically high level of exports, impacting many regions

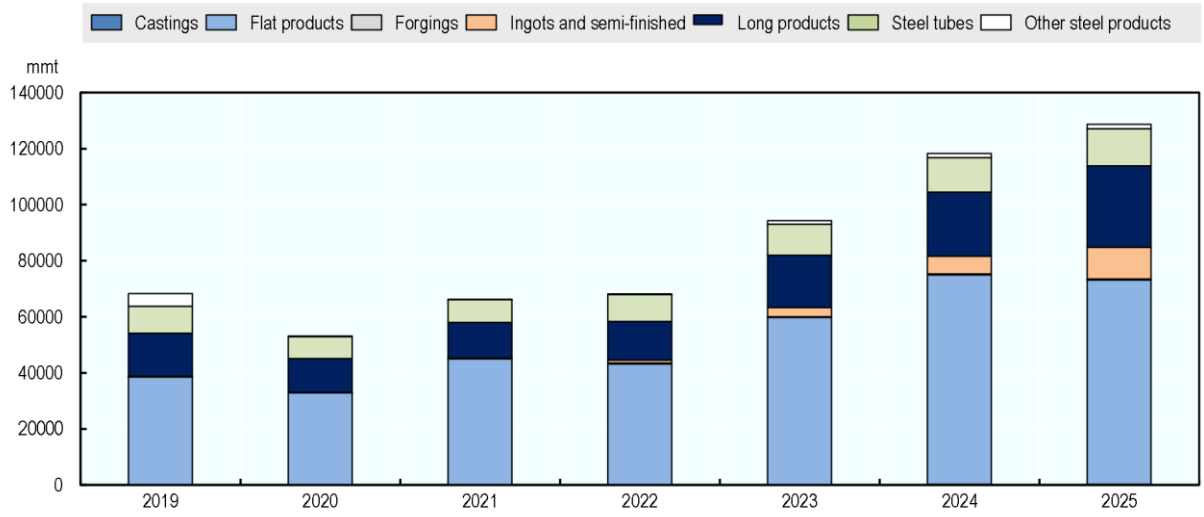
China, leading the steel export market since 2010 when it surpassed Japan as the top exporter, continues to defy the market demand slowdown. The exports will reach 121 mmt in 2025 based on annualising the results from Q1 2025, 2 mmt above their levels in 2024 (+14% change between Q1 2024 and Q1 2025), and 27 mmt more than in 2023. This upward trend continues despite falling or stagnating steel exports from major steel producers and, not least, because of a falling Chinese domestic demand,

which peaked in 2020. Concurrently, Chinese imports have been declining each consecutive year since 2020 (Table 1, Table 2).

Exports of semi-finished steel surged, possibly indicating tariff avoidance by processing steel in third countries. Forgings, castings, and ingots accounted for less than one per cent of the total exports in 2019. Between 2020 and 2025, Chinese export growth was especially driven by ingot exports, with volumes nearly doubling each year until 2023 and increasing 27-fold in 2022. Similarly, forgings and flat and long products exports were increasing faster than other products. By 2025, China doubled the volumes of flat products and long products it exported, and forgings' exports grew by 158%. Exported volume of castings grew by 62% and steel tubes by 56% in five years. The volume of ingots grew 600-fold during the period, from 0.019 mm in 2020 to an annualised 11.3 mmt in 2025 (based on Q1 2025). In 2025, ingots account for 9% of Chinese export volumes at the expense of flat products, which account for 57% of export volumes (down from 62% in 2019) and steel tubes in 2025, which account for 10% instead of 15% in 2020 (Figure 1).

Figure 1. Chinese exports of semi-finished steel and ingots have exploded

Volume of steel by product groupings, in mmt, by year

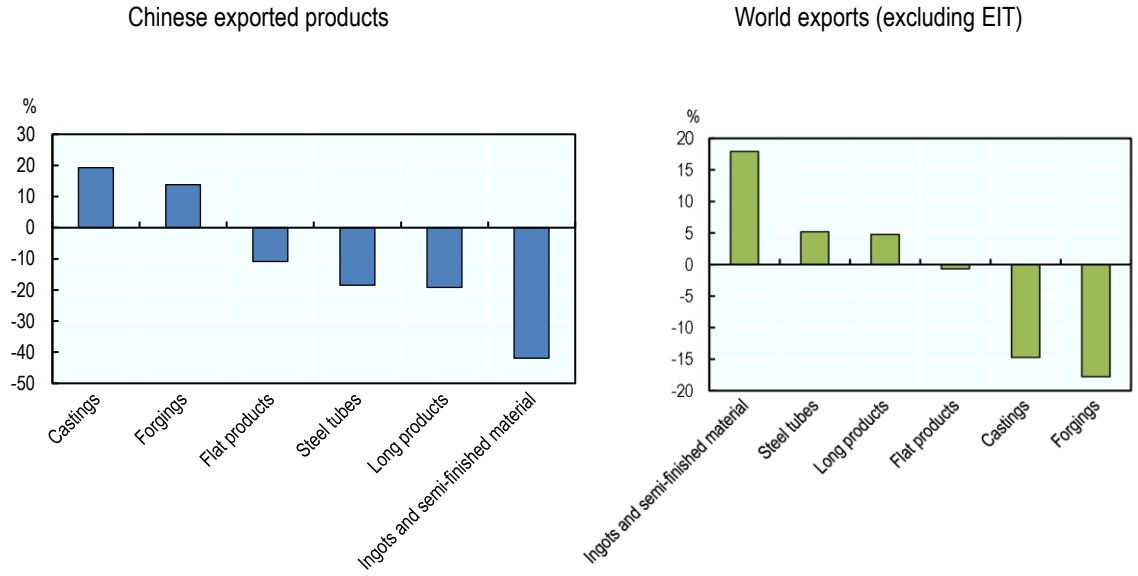


Note: Product categories are based on the World Steel's classification of HS6 steel products.
Source: OECD calculations based on ISSB data.

The export market share gain of Chinese products is associated with falling export unit values for these product categories. The export unit value of ingots and semi-finished material has fallen by 42% between 2019 and 2025, which can either signal a cheaper mix of products or falling prices for the same products. Chinese products were likely price competitive on the market due to this decline. Similarly, long products' and steel tubes' value fell by 19 and 18%, respectively, and flat products were on average 11% cheaper per tonne in 2025 than in 2019. Casting and forgings, generally the most valuable exports, gained in value per tonne by 19% and 14% respectively, also signalling that the quality of exported products of these categories is growing, hence they can compete in higher price ranges. These price dynamics are actually the opposite of how the market shifts, where globally, ingots and semi-finished materials gained about 20% in value per one tonne of steel exported, and casting and forging became relatively less valuable between 2019 and 2025 (Figure 2).

Figure 2. China's market share gain of ingots went hand in hand with lower export unit values

Percentage change of the average value of the exports within the product group, 2019-2025

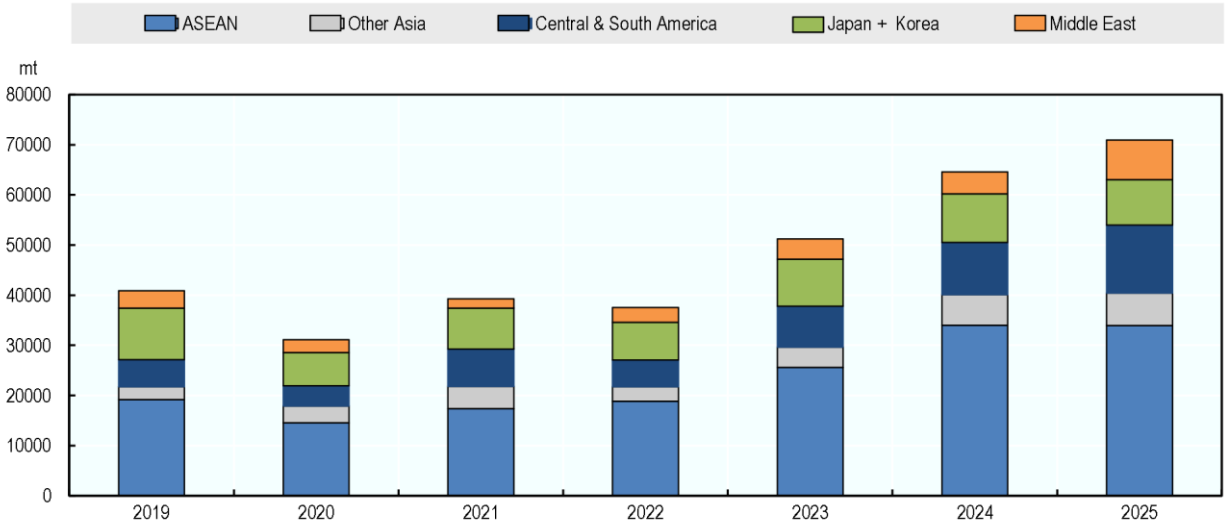


Note: Product categories are based on the World Steel's classification of HS6 steel products. The change is calculated as the growth rate in the total value of the given product category per ton of exports in the same category. Although it does not represent price per ce, average value is a good indicator if the steel exports becoming more specialised towards high-value products, or, instead, focused on the lower quality and lower priced products. Equally, it can signify that the products are sold under their actual value.
Source: OECD calculations based on ISSB data

The growth in imports of Chinese steel differs by region, with ASEAN remaining the biggest recipient and Türkiye exposed to the highest growth of imports from China. ASEAN countries accounted for about 30% of total Chinese steel exports, importing 34 mmt in 2024, an increase of nearly 15 mmt from 2020, or a 77% growth rate. Other Asian economies import a large share of Chinese steel, more than doubling the imports from China to 6.5 mmt in 2025. However, Japan and Korea reduced their steel imports from China by 12%, and India registered a moderate 15% increase between 2020 and 2025. Outside Asia, Central and South America emerged as the third-largest regional destination for Chinese steel. Imports grew by over 150% from 5.3 mmt in 2020 to an estimated 13.6 mmt in 2025. Other regional markets have also absorbed a growing share of Chinese exports. Türkiye's imports increased eightfold between 2020 and 2025. African imports more than tripled. Middle East imports increased by 127% (Figure 3).

Figure 3. The ASEAN region imported most of the Chinese excess steel

Total imports of Chinese steel by top importing regions, 2020 to 2025 (annualised), in mt



Note: See Annex 4A Glossary for the regional definitions.
Source: OECD calculations based on ISSB data.

EU's exports spiral and the region increases reliance on imported steel

The EU and UK together exported an annualised 25 mmt of steel in 2025, down 18% compared with 2020. The downward export spiral is especially evident in the UK, which exported only about 60% of its 2020 export volume (down from 4.4 mmt in 2020 to and annualised 2.6 mmt in 2025). The EU's exports fell by 13.5% in the past five years, and 3.2% in 2025 alone. Türkiye, on the other hand, despite losing its export footing in 2022 and 2023 (exports fell from their peak of 22 mmt in 2021 to 12.7 mmt in 2023, over 40% drop), is experiencing growth again, with exported volumes up by 15% between Q1 2024 and Q1 2025 (Table 1, Table 3).

In contrast with falling exports, Europe is increasingly relying on foreign steel supply. The region imported 69.3 mmt in 2024 and is on track to record import growth of 22% in five years since 2020. Türkiye is importing an even higher share than European countries, nearly 20 mmt in 2024 compared to 13 mmt in 2020, a trend that continues in 2025. The UK, although smaller in proportion, imported 6.8 mmt in 2024, up from 5 mmt , and increased imports by over 40% in the last year alone (Table 2, Table 4).

The CIS region lost a large share of the steel trade. Both steel exports from the region and imports into the region fell by about two-thirds of their traded volumes in 2020, reflecting the fallout of Russia's invasion of Ukraine and subsequent sanctions. Russia, historically one of the world's top steel exporters, saw volumes contract drastically as access to Western markets narrowed. Ukraine's exports also shrank, constrained by damaged production capacity and logistical problems (Table 1, Table 2).

North America's steel trade slows in early 2025, following moderate growth since 2020

Steel exports from the North America region have risen modestly, climbing by 7% between 2020 and 2025, but volumes softened in early 2025 (–8% y-o-y in Q1). The region exports about 4% of the world's traded steel. The United States remains the dominant exporter of the region, though its exports plateaued, and Canada follows closely behind, experiencing an export reduction in 2025 by about 9% in

the first quarter. Mexico's saw its steel exports halve in 2023, and export volumes have stagnated at roughly the same level since then (Table 1, Table 3).

Steel imports into North America slowed in Q1 2025, pointing to an overall cooling in the region's appetite for foreign-produced steel as well as an increase in the use of trade measures. North America is a much more prominent importer of foreign steel than it is an exporter, importing 13% of the world's steel trade. The imported values of steel rose modestly over the past five years, mainly driven by Mexico's imports surging strongly up to 2023 but slowing since. Canada's and Mexico's imports have fallen by 8% and 6% in Q1 2025, respectively, while U.S. inflows rose slightly in early 2025 (Table 2, Table 4).

Table 2. The world's drop in imports was driven by Asia, most other regions increased imports

Imported volume of steel in thousands of metric tonnes by country or region and year

		2020	2021	2022	2023	2024	Q12024	Q12025	**Growth 2025-24 Q1**	Share in world trade in 2025	**Growth 2020-25**
Asia		104,531	98,422	80,241	84,469	91,324	22,480	21,582	**-4.0%**	20.6%	**-17.4%**
China	**China**	38,710	27,824	17,063	10,985	8,717	2,671	1,851	**-30.7%**	1.8%	**-80.9%**
	India	5,315	5,916	6,889	9,710	11,482	2,835	2,463	**-13.1%**	2.4%	**85.4%**
	Japan + Korea	17,186	19,527	18,988	20,716	20,363	5,366	4,316	**-19.6%**	4.1%	**0.4%**
	ASEAN	47,261	48,346	44,672	50,535	56,414	13,395	13,590	**1.5%**	13.0%	**15.0%**
	Other Asia	13,246	16,336	11,617	13,239	14,711	3,579	3,679	**2.8%**	3.5%	**11.1%**
Europe		55,793	71,489	66,630	63,158	69,303	16,036	17,043	**6.3%**	16.3%	**22.2%**
	EU + UK	39,957	52,668	48,269	42,739	46,933	11,241	12,109	**7.7%**	11.6%	**21.2%**
	Türkiye	12,955	16,151	15,820	17,928	19,716	4,179	4,417	**5.7%**	4.2%	**36.4%**
	Other Europe	2,881	2,670	2,540	2,491	2,655	616	516	**-16.2%**	0.5%	**-28.3%**
USMCA		37,184	54,340	49,215	52,214	53,377	13,301	13,173	**-1.0%**	12.6%	**41.7%**
Central & South America		10,928	18,429	13,144	15,985	19,375	4,946	4,938	**-0.2%**	4.7%	**80.8%**
CIS		8,462	8,449	2,613	2,950	3,385	661	756	**14.4%**	0.7%	**-64.3%**
Middle East		9,492	6,822	9,095	9,557	8,386	2,196	2,795	**27.3%**	2.7%	**17.8%**
Oceania		2,127	2,664	2,691	2,691	3,892	1,216	922	**-24.2%**	0.9%	**73.5%**
Africa		3,296	5,962	7,205	7,188	6,591	1,839	1,745	**-5.1%**	1.7%	**111.7%**
World		**395,382**	**448,945**	**387,260**	**399,804**	**423,101**	**105,321**	**104,580**	**-0.7%**	**100.0%**	**5.8%**

Note: See Annex 4A Glossary for the regional definitions.
Trade numbers for the EU refer only to extra-European trade. The trade in the ASEAN region refers to extra-ASEAN trade only.
Source: OECD calculations based on ISSB data.

South and Central America nearly doubled steel imports in 5 years and falls behind in exports

South America's export performance has lagged other regions. Regional exports have fallen by nearly 6% since 2020 especially in the last two years, posting a 12% drop in between 2023 and 2024 and the same dynamics seems to continue into 2025, with 12% year-on-year drop between Q1 2024 and Q1 2025. Brazil, traditionally the region's largest exporter, accounting for about 90% of South American steel exports, exported a total of 3% of global traded steel volumes in 2023, about 12 mmt. Its share fell to 2.4% by early 2025, following two consecutive years of falling export volumes (Table 1, Table 3).

By contrast, imports into South and Central America grew by 80% over the same period. Brazil's imports grew by 230%, from about 2 mmt in 2020 to 6.6 mmt in 2024, possibly reflecting the surge of low-priced steel and trade diversions flowing into the region (Table 2, Table 4).

Table 3. Beyond China, exports from Indonesia and Egypt ballooned

Exported volume of steel in thousands of metric tonnes by country and year, selected exporters

	2020	2021	2022	2023	2024	Q12024	Q12025	Growth 2025-24 Q1	Share in world trade in 2025	Growth 2020-25
CHN	53,087	66,208	68,126	94,237	118,219	26,499	30,244	14.1%	28.9%	127.9%
EU	25,673	26,047	23,066	22,866	22,872	5,731	5,550	-3.2%	5.3%	-13.5%
IND	17,296	20,374	12,106	9,866	9,691	3,497	2,147	-38.6%	2.1%	-50.3%
JPN	31,072	33,763	31,739	32,175	31,207	7,705	7,643	-0.8%	7.3%	-1.6%
USA	6,592	8,246	8,321	8,928	8,755	2,279	2,048	-10.1%	2.0%	24.3%
RUS	28,662	32,556	17,848	12,301	11,809	3,221	2,520	-21.7%	2.4%	-64.8%
KOR	28,581	26,781	25,462	27,046	27,991	6,858	6,994	2.0%	6.7%	-2.1%
TUR	18,680	22,057	17,565	12,721	17,030	3,753	4,303	14.7%	4.1%	-7.9%
BRA	10,713	11,493	12,108	12,075	10,347	2,529	2,458	-2.8%	2.4%	-8.2%
TWN	10,579	10,823	9,901	9,470	9,192	2,508	2,075	-17.3%	2.0%	-21.5%
MEX	5,259	5,950	6,568	3,178	3,257	920	926	0.6%	0.9%	-29.6%
IDN	5,818	9,856	9,206	9,630	11,419	2,820	2,614	-7.3%	2.5%	79.7%
CAN	5,141	7,539	6,587	6,710	6,436	1,734	1,577	-9.1%	1.5%	22.7%
MYS	8,485	8,310	7,127	7,622	9,362	2,804	1,836	-34.5%	1.8%	-13.4%
VNM	7,870	11,316	7,415	8,497	10,431	2,234	2,228	-0.3%	2.1%	13.2%
EGY	2,009	1,995	1,288	2,418	2,910	709	778	9.8%	0.7%	54.9%
SAU	1,304	1,522	1,083	1,806	888	300	147	-51.0%	0.1%	-55.0%
UKR	15,210	15,705	4,789	3,435	4,784	1,177	943	-19.8%	0.9%	-75.2%
GBR	4,423	3,453	3,399	3,162	2,009*	670*	651	-2.8%	0.6%	-41.1%
WLD	395,382	448,945	387,260	399,804	423,101	105,321	104,580	-0.7%	100.0%	5.8%
WLD_EIT	295,310	331,599	278,055	293,081	321,279	78,464	78,354	-0.1%	74.9%	6.1%

Note: WLD EIT is the world excluding intra-European trade. The UK 2024 values are based on 3 quarters only, and Q1 2024 is an average value of Q2-Q4 as the Q1 values are currently missing.
Source: OECD calculations based on ISSB data.

Middle East, Africa, and Oceania follow the trend of growing reliance on imported steel

Exports from the Middle East, Africa, and Oceania remain marginal in global trade but show stark divergences at the country level. Exports from the Middle East are expected to fall to one-half of the 2020 level, with a 40% drop in Q1 2025. These regional drops are driven by their largest producers: Saudi Arabia's exports fell by one-half in Q1 2025 compared to a year earlier. Similarly, Oceania's exports, despite displaying relative stability until 2024, are on track to fall by one-third in 2025, reflecting declines from Australia. Africa, on the other hand, is on track to increase exports, as Q1 2025 values show a growth of 46% in the volume of exported steel. This growth was led by Egypt and a partial export recovery in South Africa, though the continent's share of world trade is still just over 1% (Table 1, Table 3).

At the same time, imports into all three regions have expanded significantly. Middle East imports are on track to increase by 18% since 2020, Oceania's by 74% and Africa's by 112%. Egypt was only a minor importer of steel until 2020, but it has increased the imported volumes considerably since then, from 0.2 mmt in 2020 (and 0.6 mmt in 2019) to 4.1 mmt in 2024 (Table 2, Table 4).

Table 4. Top steel producers drastically reduced the amount of imported steel

Imported volume of steel in thousands of metric tonnes by country and year, selected importers

	2020	2021	2022	2023	2024	Q12024	Q12025	Growth 2025-24 Q1	Share in world trade in 2025	Growth 2020-25
CHN	38,710	27,824	17,063	10,985	8,717	2,671	1,851	**-30.7%**	1.8%	**-80.9%**
EU	34,948	46,177	42,644	37,494	40,129	9,832	10,101	**2.7%**	9.7%	**15.6%**
IND	5,315	5,916	6,889	9,710	11,482	2,835	2,463	**-13.1%**	2.4%	**85.4%**
JPN	5,208	5,460	5,321	5,770	6,193	1,454	1,406	**-3.3%**	1.3%	**8.0%**
USA	20,140	29,692	28,913	26,202	27,274	7,130	7,401	**3.8%**	7.1%	**47.0%**
RUS	5,029	4,963	1,239	1,240	1,530	358	274	**-23.5%**	0.3%	**-78.2%**
KOR	11,978	14,067	13,666	14,946	14,170	3,911	2,909	**-25.6%**	2.8%	**-2.8%**
TUR	12,955	16,151	15,820	17,928	19,716	4,179	4,417	**5.7%**	4.2%	**36.4%**
BRA	2,018	4,920	3,305	4,980	6,589	1,315	1,701	**29.4%**	1.6%	**237.1%**
TWN	7,419	9,566	7,115	7,470	8,938	2,197	2,263	**3.0%**	2.2%	**22.0%**
MEX	10,081	14,752	10,867	17,498	17,639	4,335	4,091	**-5.6%**	3.9%	**62.3%**
IDN	9,720	10,248	11,221	12,378	12,812	2,876	3,192	**11.0%**	3.1%	**31.4%**
CAN	6,963	9,897	9,436	8,514	8,465	1,836	1,681	**-8.4%**	1.6%	**-3.4%**
MYS	5,862	6,361	5,714	7,066	8,055	1,910	1,822	**-4.6%**	1.7%	**24.3%**
VNM	13,928	12,960	11,458	14,047	18,792	4,679	3,832	**-18.1%**	3.7%	**10.1%**
EGY	192	1,240	2,846	3,795	4,125	1,187	663	**-44.2%**	0.6%	**1280.4%**
SAU	7,039	3,879	4,929	5,168	5,463	1,463	2,269	**55.1%**	2.2%	**28.9%**
UKR	1,315	1,264	666	1,231	1,350	265	344	**29.6%**	0.3%	**4.6%**
GBR	5009	6492	5625	5245	6804	1409	2008	**42.5%**	1.9%	**60.3%**
WLD	395,382	448,945	387,260	399,804	423,101	105,321	104,580	**-0.7%**	100.0%	**5.8%**
WLD_EIT	295,310	331,599	278,055	293,081	321,279	78,464	78,354	**-0.1%**	74.9%	**6.1%**

Note: WLD EIT is the acronym for the world excluding intra-European trade.
Source: OECD calculations based on ISSB data.

3 Trade actions affecting steel

Countries across the globe have responded to the surge in excess capacity driven steel exports to protect their markets. At least 36 new trade actions were enacted as of June 2025, continuing the trajectory set in 2024, when 87 AD/CVD cases were initiated globally which brings them at their highest level in a decade. Out of 721 U.S. anti-dumping and countervailing duty (AD/CVD) measures as of January 2025, 306 target steel products, representing 42% of all the cases.[3] This strong increase in the use of trade defence instruments reinforces steel's position as of the most targeted product categories of unfair trade.

Countries have enacted a diversified set of policy and non-policy tools to address the growing imbalances in global steel trade in 2025. Among the most consequential developments is the extension of the U.S. tariff regime and the introduction of measures by several trading partners. In parallel, many countries are pursuing other trade tools. Unlike standard tariffs, safeguard measures based on tariff quotas, for example, help to protect domestic producers facing sudden injurious import surges, but also maintain a certain level of market openness based on historical import volumes.[4]

The trade policy debate is extending beyond traditional policy measures and increasingly includes efforts to develop and use improved information gathering and timely analysis. Recently developed instruments such as the EU's import surveillance systems and melt-and-pour reporting systems in North America can help deliver more targeted and timely policy interventions. Such instruments can speed up and improve precision of trade remedies.

Steel trade policy gains momentum amid search for new global equilibria

The growing recognition that broader trade actions are needed to address excess capacity and the growing concentration of global steel exports in excess capacity-generating economies and the resulting trade distortions have accelerated the application of defensive trade measures.

Governments are increasingly turning to trade policy instruments given the deepening excess capacity crisis and concerns about trade diversion. The tariff policies of major economies like the United States and the European Union reshape global trade flows and can deflect exports to other destinations. Anticipated diversion of exports has induced secondary policy responses, including Canada's

[3] Assessed from https://www.trade.gov/sites/default/files/2025-02/FINAL_2025%20Annual%20Subsidy%20Enforcement%20Report%20to%20Congress%2001302025_0.pdf on 8.10.2025

[4] When setting tariffs, WTO members usually set their import tariffs lower than their maximum 'bound tariff'. If a WTO member reduces its tariffs from the set ceiling, these tariffs are referred to as 'applied tariffs'. Most of the time, applied tariffs align with the most favoured nation (MFN) tariffs. On the other handArticle VI GATT and Article XXI GATT, among other provisions, authorise Members to raise tariffs above the bound rates in certain instances. Article VI GATT allows WTO members to raise their tariffs above the bound tariffs during the application of trade remedies e.g. anti-dumping and countervailing measures. Article XXI GATT is regarding a WTO member's essential security interest. For instance, in 2018, the United States imposed universal aluminium and steel tariffs under Section 232 of the 1962 Trade Expansion Act, which is a national security statute. .

introduction of tariff-rate quotas to mitigate import surges, and a remarkable increase in Latin American trade defence actions in response to intensified inflows of low-priced steel, primarily from China. The diffusion of such measures to countries that previously did not restrict imports significantly highlights the sector's growing centrality in national economic security strategies. It also demonstrates a growing urgency to protect existing structures from rapidly changing trade patterns.

The revised U.S. tariff regime and reactions by trade partners are at the centre of trade policy developments in 2025. The United States reinstated and expanded steel and aluminium tariffs under Section 232[5], effective from March 2025. This decision affects all countries, including those that were previously exempt from Section 232 steel tariffs but were subject to alternative arrangements.[6] The tariff for steel was set to 25%, with previous exceptions removed. In June 2025, the tariff increased to 50%, except for the UK, which continues to face a 25% rate under the terms of the US-UK Economic Prosperity Deal (The White House, 2025[5]). The tariffs were expanded in August 2025 to include an additional 407 derivative products from all jurisdictions (Bureau of Industry and Security, 2025[6]). In response, Canada implemented a retaliatory tariff of 25% on steel imports from the United States in March 2025.

Some trading partners have introduced new measures to address China's excess capacity. Canada adopted measures to address the adverse effects of China's non-market acts, policies, and practices in the steel sector, charging a tariff on steel imports from China starting from October 2024. In July 2025, Canada took additional steps by imposing a 25% surtax on goods imported from all non-US sources that contain steel melted and poured in China[7]. This means that businesses importing certain steel products into Canada need to demonstrate that the steel contained in the product is not from China to avoid paying the 25% surtax.

In an effort to mitigate the direct and indirect impact of the U.S. tariffs, Canada has imposed tariff rate quotas (TRQ).[8] The revised TRQs are designed to limit the surge of redirected imports, arising from tariff actions in other steel economies, and maintain predictable access for trading partners (Government of Canada, 2025[7]). Non-USMCA countries with which Canada has a Free Trade Agreement (FTA)[9] may export up to 100% of their 2024 steel export levels duty-free, while a 50% tariff applies to volumes above the threshold. With non-FTA partner countries, the duty-free quota was cut to 50% of 2024 import levels, with a 50% tariff charged above the threshold. In November 2025, Canada announced forthcoming

[5] "A Section 232 investigation is conducted under the authority of the Trade Expansion Act of 1962. The purpose of the investigation is to determine the effect of imports on the national security." Extracted from "https://www.bis.doc.gov/index.php/other-areas/office-of-technology-evaluation-ote/section-232-investigations" on 3. October 2025.

[6] The list of economies includes Argentina, Australia, Brazil, Canada, the EU, Japan, Mexico, Korea, the UK and Ukraine.

[7] Accessed from https://orders-in-council.canada.ca/attachment.php?attach=47486&lang=en in December 2025.

[8] A tariff-rate quota (TRQs) , often used in the steel trade, combines tariff and quota: tariff, to raise prices on exported steel to protect a domestic steel industry from unfair competition; and quota, a quantitative limit on the volume of imports that can enter the country. TRQs allow a certain amount of steel to come in at a lower tariff or tariff-free. Once that predetermined rate is reached, higher tariff is put forward. Strengthening these import limits will help prevent the steel economies from being inundated with low-priced steel from excess capacity induced countries, while also maintaining the open trade flows for steel trade partners and ensuring countries that are reliant on steel can continue to get the stable supply to meet their domestic demand. Moreover, well-designed TRQ can help protect national steel industry from the redirection of low-price steel products from other regions.

[9] Note the exception of the USMCA

adjustments to these figures, reducing the threshold from 100% to 75% for FTA partners and from 50% to 20% for non-FTA partners[10]

Safeguard measures are finding their place in trade policy by maintaining the balance between open markets and protection from steel excess capacity

In parallel, the European Commission announced a reform proposal in October 2025 to tighten its safeguard mechanism, notably by reducing tariff-free import quotas and raising above-quota tariffs to 50%. The EU's updated TRQ reflects efforts to address unfair impacts of global excess capacity as well as mitigate the impact of the recent tariff measures (European Commission, 2025[8]) (EUROFER, 2025[9]). The updated EU quota, which is expected to be applied on a global basis to all non-EU countries, is set in line with imports from 2013, before the first wave of Chinese steel excess capacity. It includes a melt-and-pour requirement to trace the country of origin of steel to reduce the impact of global excess capacity (European Commission, 2025[10]).

The United Kingdom announced a more stringent quota-cap measure on certain categories of steel imports to support the national steel industry against the risk of trade diversion due to global trade conflicts and excess capacity. In May 2025, the Trade Remedies Authority (TRA) initially proposed imposing country-specific quota caps on three categories of steel, dominantly imported from Viet Nam, Korea and Algeria, by limiting their imports to 40% of the residual quota and imposing a 25% tariff above the threshold (Trade Remedies Authority, 2025[11]).[11] The government has taken this view into account and decided to take more stringent measures, from the initial proposed 40% to 20% of imports from Vietnam, and to 15% from Korea and Algeria. (GMK Center, 2025[12])

Precise and timely information becomes a mainstream trade tool to counteract excess capacity

A requirement to identify the country of melt and pour can play a crucial role in identifying the origin of the steel products and improving transparency and monitoring. In addition, requiring imports to exclusively contain steel that is melted and poured in certain countries to benefit from preferential arrangements could discourage circumvention of trade measures through third countries. Between 2021 and 2024, in the context of alternative arrangements to the Section 232 tariffs, the United States applied the "melt and pour requirement" such that only steel articles that are melted and poured in certain countries could enter the United States without the application of Section 232 tariffs. The requirement was introduced by the United States in 2018, under Section 232 measures for steel and aluminium. It applied to imports of steel articles that are only melted and poured in specified countries, including the EU, Japan, the UK, and USMCA partners, which were eligible for TRQ access. Canada imposed a 25% surtax on imports of steel products that contain steel melted and poured in China, with the expectation of enhanced transparency and traceability in the domestic supply chain (Government of Canada, 2025[7]).

Trade measures have the greatest impact when they are implemented in a timely and targeted manner. For example, trade surveillance systems, which provide near real-time monitoring of import flows, are fast becoming an essential component of trade policy. They allow for quick warning signals of import surges, price undercutting, and other anomalies. Those early warning signals of trade diversion allow for more responsive initiation or adjustment of trade measures and can help avoid trade deflection. The European Commission introduced a new import surveillance tool in June 2025, designed to analyse high-frequency product-level import data on volumes and prices. This approach sheds light on import surges

[10] Accessed from https://www.pm.gc.ca/en/news/news-releases/2025/11/26/prime-minister-carney-announces-new-measures-protect-and-transform in December 2025.

[11] Metallic coated sheet (Category 4), non-alloy and other alloy quarto plates (Category 7), and rebar (Category 13)

resulting from steel that is redirected by high tariff measures imposed by other countries. The European Commission notes that it also allows for compliance with WTO rules on safeguards and retaliation (European Commission, (2025[13]), (2025[14])).

Table 5. A summary of tariff actions between December 2024 and October 2025

Economy applying the measure	Global vs targeted economy	Type of measure	Details	Product class	Date
Australia	Global	Decrease import duties on selected steel products through tariff concession order	Decreased from 5% to 0%	Multiple steel products	December 2024 -
Brazil	Global	Decreased in import tariff on carbon steel	Decreased from 12% to 10%	Hot-rolled carbon steel bars and rods (HS 721391)	July 2025
Canada	FTA partners (excl. USCMA) & non- FTA partners	Tariff Rate Quota	50%	Flat, Long, Pipe and Tube, Semi-finished, Stainless	June 2025
Canada	Global (excl. US)	Melt and Pour Tariff	25% tariff on imports that are melt and poured in China	Multiple steel products	July 2025
China	US	Retaliatory tariffs on imports	10%	Multiple products	April 2025
EU	Global	Tariff Rate Quota	50% on tariff above quota	Multiple steel products	October 2025
UK	Vietnam, South Korea, Algeria	Reduced quota volumes	25%	Metallic coated sheet (Category 4), non-alloy and other alloy quarto plates (Category 7), and rebar (Category 13)	February 2025
UK-US		Economic Prosperity Deal	25% on tariff above quota	All Steel products	May 2025
US	Global	Increase applied tariff (Section 232 of the Trade Expansion Act of 1962)	50%	All steel products	February 2025

Source: Compilation based on information from the international organisations and governmental websites (WTO[15]) (GMK Center[16]) (Global Trade Alert[17])

Other selected tariff measures

China increased its retaliatory tariff measures on imports from the United States. It imposed a 34% tariff on a range of U.S. imports in April 2025, including steel, and then raised the rate to 84% and ultimately to 125%, marking the biggest trade escalation between the two economies since 2018. China reduced its tariffs to 10% for an initial 90-day period in May 2025 (The White House, 2025[18]). This arrangement was then extended in August for another 90 days (China Briefing, 2025[19]).

Anti-dumping, countervailing and safeguard measures at record levels

A total of 87 new AD/CVD measures were introduced around the world in 2024, the highest level since 2016. Of these, 80 were anti-dumping (AD) duties, 29 of which targeted Chinese products and firms. Viet Nam was the second most frequently targeted economy, with eight measures, followed by India and

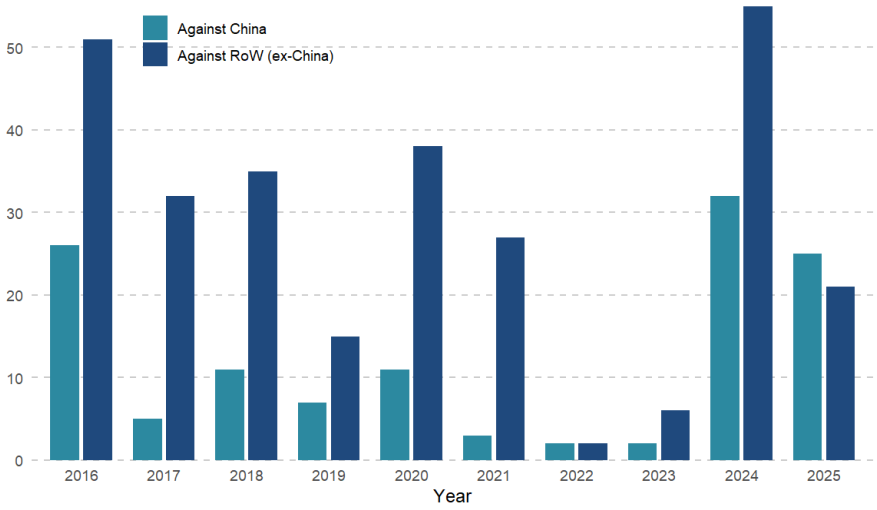
Korea, each facing five. In addition, seven countervailing duty (CVD) investigations were initiated in 2024, six of which were paired with anti-dumping duties and primarily directed at Chinese exports. In the first half of 2025, the AD/CVD investigations kept up the pace, with at least 41 AD and five CVD measures imposed between January and June, and all CVD cases paired with AD actions. Out of these 46 total measures, 17 targeted China and six targeted Viet Nam (Figure 4, Table 6).

China continues to be the main target of global AD and CVD activity, accounting for nearly one-half of all new measures in 2025. Investigations by several countries, particularly Viet Nam, explicitly reference Chinese export surges as the primary source of market disruption, as about three-quarters of steel imports into Viet Nam originated from China.[12]

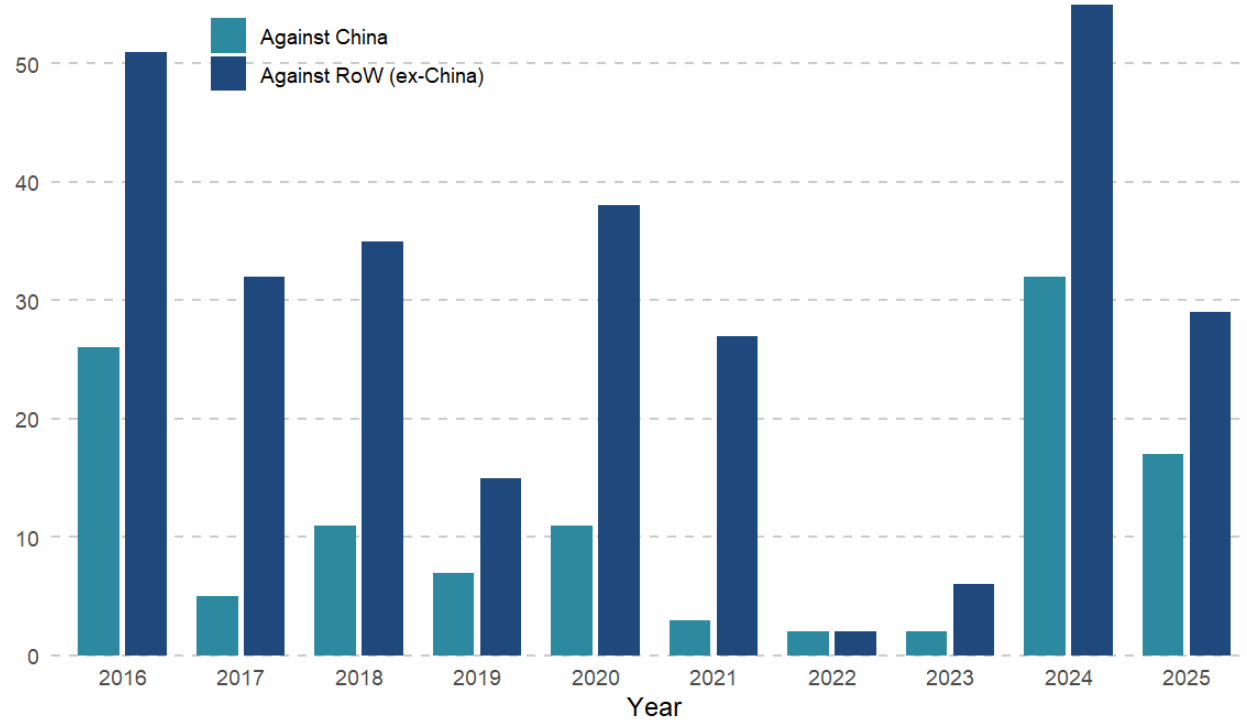
The geographical distribution of trade defence activity has evolved, reflecting the growing exposure of both large and emerging producers to low-priced steel imports. Canada opened 14 AD investigations. Brazil emerged as one of the most active users of trade remedies in the first half of 2025, imposing nine AD measures, followed by the United States, with four AD and three CVD investigations. In 2024, the United States launched 14 investigations (10 AD and and four CVD investigations), followed by Türkiye (10) and Australia (9). The increasing participation of Latin American countries in investigating anti-dumping in 2024 and 2025 is a new trend, with many countries, including Brazil, imposing the first AD measure in a decade, or other countries starting their first investigations since the last steel crisis of 2016 (Figure 4, Table 6).

Figure 4. Anti-dumping investigations against China continue to reach historic levels

Count of worldwide AD/CVD investigations against China and countries in the rest of the world, 2016-June 2025



[12] Accessed from https://www.reuters.com/markets/commodities/vietnam-says-impose-temporary-anti-dumping-tariff-hot-rolled-coil-steel-china-2025-02-21/ on 7.10.2025.

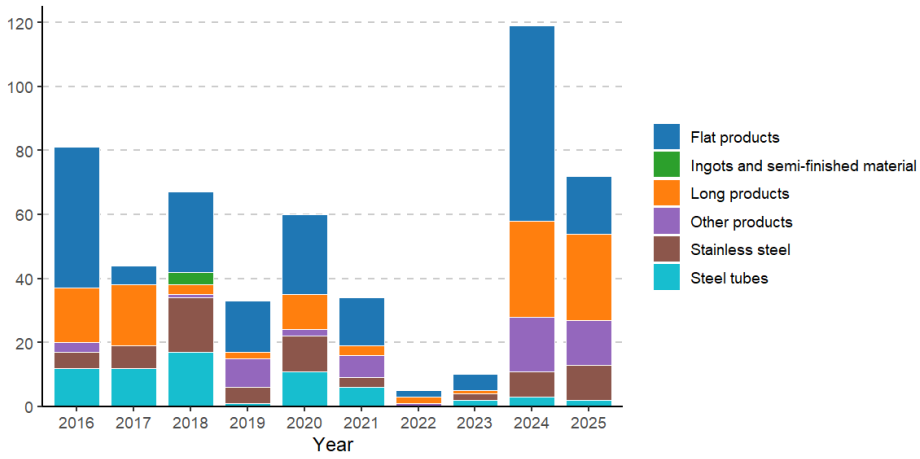


Note: The 2025 values represent trade actions until June 2025. AD and CVD cases are counted separately. Only new investigations that were initiated in the given year and concern finished steel products are counted.
Source: OECD based on JISF trade remedy data.

Flat steel products have constituted the most frequently contested category in global AC/CVD activity over time, accounting for approximately half of all measures in most years, except for 2017, 2018 and 2025. These products, such as hot-rolled and cold-rolled coil, plate, and coated sheet, are high-volume, globally traded intermediary products that are central to value chains in automotive manufacturing, consumer durables, shipbuilding, and many manufacturing sectors. Long products, primarily used in construction, represented roughly one-quarter of trade measures in 2024. By contrast, steel tubes and pipes, once a major focus of disputes, have been the subject of only a limited number of recent investigations, indicating a relative stabilisation of trade conditions in those product segments (Figure 5).

Figure 5. Flat products remain the most targeted in the AD/CVD investigations

Count of AD and CVD investigations by product, 2016-June 2025



Note: The 2025 values represent trade actions until June 2025. AD and CVD cases are counted separately. Each case can focus on multiple product groups. Only new investigations that were initiated in the given year and concern finished steel products are counted.
Source: JISF trade remedy data.

Nearly half of the investigations and subsequent imposition of duties in the past 10 years originated from the United States, Canada, the European Union, and Australia. Their measures cover a broad range of flat and long steel products, although flat products remain the dominant focus. A growing share of cases combines anti-dumping and countervailing duty investigations, reflecting a more comprehensive approach to addressing both injurious unfair pricing practices and government support mechanisms in exporting countries.

ASEAN countries are increasingly resorting to trade remedies targeting China, even though the region represents the main destination for Chinese steel exports. Major importers such as Malaysia, Thailand, and Viet Nam have accounted for about 15% of all trade actions since 2016, with repeated investigations on flat products and wire rods. For example, Malaysia's provisional duties on galvanised and plate products have sought to prevent low-priced imports from displacing regional production (Table 5, JISF trade remedy data).

Even smaller producers, traditionally less active on the trade action front, have begun adopting defensive measures to protect their domestic industries against impacts from excess capacity. Several countries imposed their first AD duties on steel products during 2024-2025.[13] The United Kingdom initiated three investigations, Saudi Arabia launched two investigations, Morocco and Guatemala each initiated one investigation, and Peru initiated two investigations in 2025. Other countries with historically sporadic trade remedy engagement, including Egypt, Colombia, and Chile, have also increased their activity. South Africa, which had opened only one AD investigation between 2016 and 2023, initiated five new cases in 2024 (Mattera, Pazos and Takada (2025[20]), Table 5).

[13] The comparable data exists since 2016. It is possible that these countries initiated some AD/CVD investigations before 2016.

Table 6. Actions against low-priced steel products remain at high levels

Anti-Dumping cases, by country, product, defendant, and investigations dates, from October 2024 to June 2025

Imposing country	Product	Defendant country	Initiated date	Provisional date	Termination date
Korea	Hot-rolled carbon or other alloy steel plate	China	04-10-2024	24-04-2025	
Guatemala	Corrosion-Resistant Steel Sheet	China	02-10-2024		
Malaysia	Wire rods	China	10-10-2024		16-04-2025
Malaysia	Wire rods	Indonesia	10-10-2024		16-04-2025
Malaysia	Wire rods	Viet Nam	10-10-2024		16-04-2025
Morocco	Cold-rolled steel coils	Egypt	10-10-2024		
Thailand	H-Shape Cross Section	China	14-11-2024		
Australia	Hot rolled coil steel	China	15-11-2024		
Dominican Republic	Welded pipes and tubes	China	13-11-2024		
Egypt	Cold Rolled Coil, Galvanized and Pre-Painted Steel	China	29-10-2024		
Egypt	Cold Rolled Coil, Galvanized and Pre-Painted Steel	Türkiye	29-10-2024		
Canada	Corrosion Resistant Steel Sheet	Türkiye	05-12-2024	17-04-2025	
Republic of Türkiye	Cold Rolled Sheet, Galvanized Sheet, Pre Painted Flat Steel	China	25-12-2024		
Republic of Türkiye	Cold Rolled Sheet, Galvanized Sheet, Pre Painted Flat Steel	Korea	25-12-2024		
United Kingdom	Organic coated sheets	China	15-04-2024		
Republic of Peru	Welded tubes and pipes	China	16-01-2025		
Republic of Peru	Wire rods	China	23-01-2025	08-07-2025	
Malaysia	Galvanised Iron Coils/Sheets or Galvanised Steel Coils/Sheet	China	06-02-2025	04-07-2025	
Malaysia	Galvanised Iron Coils/Sheets or Galvanised Steel Coils/Sheet	Korea	06-02-2025	04-07-2025	
Malaysia	Galvanised Iron Coils/Sheets or Galvanised Steel Coils/Sheet	Viet Nam	06-02-2025	04-07-2025	
Colombia	Carbon-welded Pipe	China	19-02-2025	20-05-2025	
Korea	Hot-rolled products of carbon steel or alloy steel	Japan	04-03-2025		
Korea	Hot-rolled products of carbon steel or alloy steel	China	04-03-2025		
Chinese Taipei	Certain flat hot-rolled steel	China	11-03-2025	27-06-2025	
Mexico	Hot-rolled steel	China	03-03-2025		
Mexico	Hot-rolled steel	Viet Nam	03-03-2025		
South Africa	Aluminium and Zinc coated flat rolled products	China	20-03-2025		
Canada	Certain Carbon and Alloy Steel Wire	China	22-04-2025		
Canada	Certain Carbon and Alloy Steel Wire	Chinese Taipei	22-04-2025		
Canada	Certain Carbon and Alloy Steel Wire	India	22-04-2025		
Canada	Certain Carbon and Alloy Steel Wire	Italy	22-04-2025		
Canada	Certain Carbon and Alloy Steel Wire	Malaysia	22-04-2025		
Canada	Certain Carbon and Alloy Steel Wire	Portugal	22-04-2025		
Canada	Certain Carbon and Alloy Steel Wire	Spain	22-04-2025		
Canada	Certain Carbon and Alloy Steel Wire	Thailand	22-04-2025		
Canada	Certain Carbon and Alloy Steel Wire	Türkiye	22-04-2025		
Canada	Certain Carbon and Alloy Steel Wire	Viet Nam	22-04-2025		
Canada	Steel strapping	China	12-05-2025		
Canada	Steel strapping	Korea	12-05-2025		

Canada	Steel strapping	Viet Nam	12-05-2025		
Canada	Steel strapping	Türkiye	12-05-2025		
Brazil	Tin Mill Products	Japan	02-06-2025		
Brazil	Tin Mill Products	Germany	02-06-2025		
Brazil	Tin Mill Products	Netherlands	02-06-2025		
Brazil	Hot rolled coil steel	China	03-06-2025		
Australia	Steel corner beads and angles	China	30-05-2025		
United Kingdom	hot-rolled steel	Korea	06-06-2025		
United States	Reinforcing Bar	Algeria	30-06-2025		
United States	Reinforcing Bar	Egypt	30 -06-2025		
United States	Reinforcing Bar	Viet Nam	30-06-2025		
United States	Reinforcing Bar	Bulgaria	30-06-2025		
Brazil	Wire rods	China	17-06-2025		
Brazil	Wire rods	Russia	17-06-2025		
Brazil	Certain hot rolled stainless steel sheets and coils (SSHR)	China	30-06-2025		
Brazil	Certain hot rolled stainless steel sheets and coils (SSHR)	India	30-06-2025		
Brazil	Certain hot rolled stainless steel sheets and coils (SSHR)	Indonesia	30-06-2025		
Australia	Light Gauge Steel Stud and Track	China	30-06-2025		

Note: Data are aggregated into a single remedy even if multiple products or steel firms are targeted. Only newly initiated investigations are listed. Only investigations on finished steel products are included.
Source: OECD based on JISF trade remedy data.

AD and CVD actions are increasingly applied together for steel products as major recent investigations target both price distortions and state subsidies simultaneously. These measures effectively address unfair trade practices that cause material injury, reflecting an increasingly defensive response to sustained import pressure from subsidised suppliers. Between November 2024 and June 2025, all seven CVD investigations were initiated concurrently with the corresponding AD investigations (Table 6, Table 7).

The increase in trade investigations underscores growing distress among steel producers faced with rising import penetration, both in advanced and emerging economies. Brazil launched new investigations into hot-rolled and stainless steel products, key inputs in manufacturing.[14] Similarly, a wave of cases initiated across Central and South America, often the first such actions in decades, reflects mounting challenges along regional value chains. Multiple investigations from the Middle East only underline how globally dispersed the distress from excess capacity is becoming.

Several recent trade measures investigate the same or similar products, offering possible advantages from coordinated defence trade strategies. Canadian and UK investigations target steel sheets. The United States' actions target exporters of reinforcing bars, and Australia and Brazil target both hot-rolled coil steel.[15]

[14] Accessed from https://www.globalcompliancenews.com/2025/06/13/https-insightplus-bakermckenzie-com-bm-international-commercial-trade-brazil-now-open-antidumping-investigation-on-brazilian-imports-of-hot-rolled-flat-steel-products-from-china_06092025/ on 7.10.2025.

[15] Accessed from https://www.whitecase.com/insight-alert/information-regarding-antidumping-and-countervailing-duty-petitions-steel-concrete? and https://www.steelorbis.com/steel-news/latest-news/canada-issues-preliminary-ad-duty-on-corrosion-resistant-steel-from-Türkiyes-borcelik-1388435.htm on 7.10. 2025.

The 2025 trade actions compound an already highly restrictive environment for global steel trade, where cumulative AD/CVD duties have created a patchwork of overlapping barriers. Even major exporters, such as China, which have traditionally been the main targets of trade remedies, have turned to defensive instruments of their own. In 2025, China extended existing anti-dumping duties on stainless steel billet and hot-rolled stainless-steel plates from the EU, the UK, Korea, and Indonesia for another five years.[16]

Table 7. Anti-subsidy investigations are complementing anti-dumping actions

Countervailing duty cases, by country, product, defendant, and investigation dates, from October 2024 to June 2025

Imposing country	Product	Defendant country	Initiated date
Australia	Flat products	China	15-11-2024
United Kingdom	Organic coated sheets	China	15-04-2024
Canada	Steel strapping	China	12-05-2025
Australia	Steel corner beads and angles	China	30-05-2025
United States	Reinforcing Bar	Algeria	30-06-2025
United States	Reinforcing Bar	Egypt	30-06-2025
United States	Reinforcing Bar	Viet Nam	30-06-2025

Note: Data are aggregated into a single remedy even if multiple products or steel firms are targeted.
Source: OECD based on JISF trade remedy data.

[16] Accessed from https://www.reuters.com/world/china/china-extend-anti-dumping-duties-imports-some-stainless-steel-2025-06-30 on 7.10.2025.

4 A taxonomy of channels how excess capacity impacts steel trade: The case of Latin America

Excess-capacity-driven exports have strongly increased in recent years and an increasing number of countries are responding to this growth through trade actions. Excess-capacity-driven exports and the countries' responses are likely to remain a key issue for both the Steel Committee and the GFSEC in the coming period.

On an aggregate level, the excess capacity-trade nexus is easy to understand, with non-market-conforming subsidy-driven excess capacity in a country via price leading to rising exports to other countries. However, the precise mechanisms and channels through which excess capacity impacts trade flows are often less. Global steel trade functions as an interconnected system, where shocks in one market, including export surges driven by excess capacity, are transmitted across countries and value chains, reshaping trade patterns and changing competitive dynamics.

This section proposes a taxonomy that comprehensively describes the channels through which excess capacity affects trade flows. The taxonomy aims to bring more clarity to Steel Committee members in understanding these mechanisms, including on terminology used. The taxonomy also allows for the formulation of relevant questions and hypotheses for further research on these issues in the context of the current and upcoming Steel Committee PWB. Additionally, different channels distinguished are important for developing the appropriate policy response, since such responses differ per channel, relevant both for Steel Committee members and current discussions in the GFSEC.

After the description of the proposed taxonomy, this section illustrates the various channels through a preliminary case study on Latin America. Latin America has been at the forefront of feeling the impacts of the recent spike in exports of excess capacity. It is used as a case study in this analysis, exploring both "excess capacity-induced" and subsequent "trade-policy-induced channels" interaction, as defined in the taxonomy.

Unpacking the channels through which excess capacity affects trade

This section develops a taxonomy that categorises the different channels through which steel excess capacity impacts trade flows.

Three types of economies

The starting point in developing the taxonomy is the distinction of three types of economies through which the excess capacity impact on trade works out (see Box 1). The relevance of the excess-capacity economy, from where excess capacity-driven exports emanate and the (importing) OECD economy, where these steel exports flow to, is easy to understand. The category of intermediary/third country economies is relevant for various regions. They may experience excess capacity-driven imports in their own right. They

may play a role in rerouting excess capacity-driven exports from excess capacity economies to OECD countries. But they may also be economies, where excess capacity-driven imports or incoming foreign direct investment leads to export surges from these third countries or where imports in these countries from OECD economies are displaced by imports from excess capacity economies.

Box 1. Three types of economies

1. **An excess-capacity economy**, where pervasive government support and other market-distorting practices result in excessive production capacity;
2. **An OECD import-exposed economy**, where the inefficiencies created by excess capacity are felt via depressed prices, margin squeezes and threats to industry viability;
3. **An intermediary or third economy** that transmits and sometimes amplifies excess capacity problems into world markets. The intermediary economy can also suffer from the negative consequences of global excess capacity and can be an exporter to, or importer from, OECD steel-producing economies.

Excess-capacity- and trade-policy-induced channels

Steel excess capacity impacts trade flows via two different sets of channels, both of which include primary and secondary mechanisms:

a. **Excess capacity-induced channels**: The first set of channels relates to excess capacity directly driving export flows from an excess capacity economy. The primary channel of transmission refers to the growth in exports of steel or embedded steel products. which may have an immediate consequence on the importing economy and its steel industries. Secondary channels tend to take more time to unfold, and therefore are harder to identify in the data, but they are increasingly visible in the steel trade. Regarding secondary channels, the excess capacity impacts are transmitted again through export channels, for instance, as a saturated intermediate economy, which might also produce surplus because of FDI investments made by an excess-capacity producing economy, sells its surplus on the international market, or stops importing from its traditional trade partners.

b. **Trade policy-induced channels**: These arise as a consequence of the trade policy response implemented by certain countries to address the damage caused by low-priced steel imports. As with excess-capacity-induced channels, they can go via primary routes, where the trade measure introduced in response to rising excess capacity-driven imports reduces this import inflow, depending on the effectiveness of policy. Secondary channels relate to instances when excess capacity exporters start exporting steel via intermediary countries, or when the trade measures lead to increased exports to other OECD countries, seeking alternative markets for the export destination that introduced the trade measure.

These channels are dynamic and interconnected routes that will evolve following changes in strategies by exporting companies in excess capacity economies and in response to changing circumstances. Monitoring these channels and newly emerging ones will be important to inform the Steel Committee members' trade policymaking.

Channels and underlying primary and secondary mechanisms are described in the next section (see overview in Table 8).

Table 8. Overview of the taxonomy of transmission channels of excess capacity globally

Channel group	Order of transmission	Transmission through:	Specific type	Details of the transmission mechanism
Excess capacity-induced channels	Primary channels	Exports	**Direct steel exports**	Excess capacity is exported directly to the Committee member economy at a lower than market price
			Steel-embedded goods exports (indirect trade)	Steel excess capacity is used to produce underpriced steel-embedded goods in the EC economy and then exported to the member economy
	Secondary channels	Exports	**Export market loss**	Export market loss for member countries to the intermediary economy, where imports from EC countries saturate the market with low-priced steel
			Intermediate economy exports	The intermediary economy exports more of its steel production to member countries, as domestic demand is saturated with imports from the EC economy, and sales of domestic producers on the domestic market are reduced
		Investment	**FDI-driven exports**	The excess capacity is produced and exported from an intermediary economy, where the EC economy makes non-market-driven investments
Trade-policy induced channels	Primary channels	Trade action	**Imports countered**	Imports from excess capacity countries are countered (to a greater or lesser extent) by trade actions
	Secondary channels	Exports	**Trade circumvention**	Excess capacity exporters circumvent trade actions in member countries by exporting via a third country through product modification, transhipment and/or rerouting.
			Trade deflection, redirection and diversion	The steel exports are deflected or redirected to countries with fewer trade restrictions, and often diverted back to the country originally imposing the trade measure
			Supply chain effects	Trade actions undertaken by member countries towards non-excess capacity economies on steel may impact steel supply chains and trade flows among member economies

Note: The order of transmission gives an approximate time order of impact: immediate impact via export channels tends to be felt immediately on the global markets. Secondary impacts, including impacts caused by export and investment channels, are medium- to long-term influences of the global market. Medium- and long-term impacts reshuffle the global trade and make the impacts harder to disentangle.
Source: OECD Secretariat.

Excess capacity-induced primary channels are the most common mechanism of shocks from excess capacity

Most of the surplus steel in excess capacity economies tends to be transmitted via the channel of direct exports. Producers in excess-capacity economies, when faced with a demand downturn, often keep production at high levels to bring down unit costs, maintain employment, or for other reasons, including local policy considerations. Instead of bringing supply in line with demand, inefficient producers make more steel, which accelerates the price decline. The excess steel that is not consumed domestically is then exported to international markets. Abnormally low prices usually characterise these exports as exporters may need to discount the prices of their exports to ensure competitiveness on the market. At the same time, they have likely benefited from much lower production costs due to governmental support.

Box 2: Excess capacity induced primary channel 1: Direct exports

Excess capacity is exported directly to Committee members at a lower than market price

Example

- A recent OECD analysis looks at unit values for some of the most traded steel products and reveals that the recent surge in exports from China in 2024 was characterised by a significant fall in unit values, particularly of steel that headed towards Latin America and MENA countries.

Indicators

- Export volumes of steel products from the excess-capacity-generating economy to international markets

Outcomes

- Depressed prices in importing markets.
- Decreased trade unit values for exports from the excess-capacity-generating economy to international markets.

The second excess capacity induced primary channel relates to exports of steel-embedded goods (also referred to as indirect exports), is increasingly gaining in importance. Steel-embedded goods, such as cars, household appliances, fabricated structures, and machinery, which embed steel as one of the main components, are increasingly another way of exporting the steel excess capacity. When upstream steel is abundant or available at low prices, manufacturers of steel-embedded goods gain a cost advantage and expand shipments abroad, effectively "exporting" steel content without selling it as a primary product (OECD, 2024[21]).

Box 3: Excess capacity induced primary channel 2: Steel-embedded exports (indirect exports)*

Steel excess capacity is used to produce under-priced steel-embedded goods in the excess-capacity-producing economy and then exported to the Committee member economy

Example

- Chinese exports of steel-intensive products increased by 75% from 2018 to 2021.

Indicators

- Volumes of steel-intensive products from excess-capacity countries towards other international markets

Outcomes

- Risks to manufacturing activity in member countries and strategic sectors that rely on steel as an input, growing dependencies on China, and economic security risks. Competition pressure in the OECD Committee member industries relying on steel as an input

*Please note that trade policy measures on steel products can enhance indirect steel exports.

Excess capacity induced secondary channels take longer to transmit excess capacity, but are increasingly present

The secondary impact of excess capacity is transmitted through export and investment channels. In the first step, the excess capacity is exported to the intermediate economy. When these import markets become saturated with the steel influx, they cease to import from their traditional trading partners. This way, Steel Committee members lose their export market share and suffer losses.

Box 4: Excess capacity induced secondary channel 1: Export market loss for Committee member

Excess capacity is exported to the intermediate economy, which gets saturated with low-priced steel, and hence ceases to import from the Committee member as it previously did.

Examples

- OECD countries exported 17.1 mmt of steel to ASEAN markets in 2020. By 2025, ASEAN economies were importing about 34 mmt of steel from China, up from 15 mmt in 2020, and about the same amount as in 2024, suggesting a saturation of their markets with low-priced steel. At the same time, OECD exported an annualised 15.6 mmt to ASEAN in 2025, a 9% drop.

Indicators

- Increasing exports to an intermediate economy from an excess-capacity economy
- Plateauing exports from the Committee member to the intermediate economy

Exports from excess-capacity economies into intermediary markets also depress local prices and margins. The intermediate economy gets saturated with the low-priced imports of steel, and the domestic producers are crowded out of the market. The attempt to find new buyers often goes across the border, and exports from the intermediate economy increase.

Box 5: Excess capacity induced secondary channel 2: Displaced steel production exported to the Committee member

The intermediate economy saturates its demand with steel imported from the excess capacity economy, and its own steel production is exported

Examples

- The ASEAN region is increasingly exporting steel to new markets. In 2020, the exports to the OECD amounted to 2.6 mmt. By 2025, the amount, based on Q1 2025, tripled to 7.7 mmt.

Indicators

- Exports of steel products from intermediary economies to other international markets.
- Exports from the intermediary economies that have previously served only the domestic market.
- Increased exports of steel-containing goods that use steel products imported from the excess capacity economy.

Finally, excess capacity production is increasingly being transplanted across borders of excess-capacity economies via foreign direct investments. Overseas affiliates of excess capacity producers located in intermediary economies expand direct exports, sometimes leveraging host-country trade preferences, further amplifying global spillovers.

Box 6: Excess capacity induced secondary channel 3: Foreign-direct-investment-driven exports*

An excess capacity economy makes non-market-driven investments in the intermediate economy, which then contribute to the excess capacity through the export channel

Example

- About 24 mmt of capacity from Chinese FDI started operating on the Asian markets between 2016 and 2019. In 2024, an additional 59 mmt of capacity started operating. This has contributed to exports from ASEAN economies. In 2016, they exported around 10 mmt, increasing incrementally to over 30 mmt in 2024 (Figure 10).

Indicators

- Volumes of steel products from companies in intermediary economies that are owned or have close ties with companies in the excess capacity economy.
- Exports of steel products from the intermediary economies to other international markets.

*Please note that trade policy measures can enhance foreign direct investment-driven exports

Trade-policy-induced primary channels often result in alleviating excess capacity transmission domestically

The policy response from countries affected by excess-capacity-induced trade is unprecedented. In 2024, when China's steel trade surplus widened to 110 mmt, the number of new trade remedies reached a historical level of 87 new actions, out of which 32 actions targeted imports from China, as noted earlier. Such policies have, or may have, depending on effectiveness, an impact on trade flows.

Box 7: Trade policy induced primary channel: Direct impact of trade measures

A trade measure introduced by an OECD country to counter excess capacity-driven imports manages to counter these imports

Example

- U.S. imports of steel fell by over 10% between 2017 and 2018, following the imposition of Section 232 tariffs.[17]

Indicators

- Volumes of steel exports from an excess capacity country to an OECD country that imposes a trade measure

[17] Accessed from https://www.datamyne.com/knowledge-center/imports/section-232-tariffs-reshape-global-markets-in-steel-and-aluminum/ in October 2025.

Trade policy-induced secondary channels represent strategies through which excess capacity finds its buyers

When trade measures are introduced, the producers in the excess capacity economy face a mounting unsold surplus. As a reaction, they might try to re-enter the market or find alternative markets, as captured by secondary channels. Trade circumvention happens when the producers modify the product so that it no longer is covered by the trade measure in place, reroute the shipments through third markets or relocate production processes to avoid the trade measures. Trade circumvention can take different forms:

- **Product modification**: The steel product is adjusted so it falls outside the scope of a trade action by making minor changes in grade, dimensions, coatings, or form that trigger a different HS code, allowing continued exports to the Committee member market;
- **Transshipment or rerouting**: Route shipments through an intermediary where products are re-invoiced or re-labelled, exploiting rules of origin or enforcement gaps to access Committee member markets despite active trade measures in place;
- **Production relocation:** Shift part of manufacturing to an intermediary (greenfield, joint ventures, or contract manufacturing) so the "substantial transformation" and origin shift occur there, enabling exports to Committee member markets under the intermediary's origin;
- **Processing/assembly:** Send inputs/semi-finished goods to an intermediary for limited processing or assembly that meets (or appears to meet) value-added thresholds, then export to OECD markets as transformed products;

Box 8: Trade policy induced secondary channel 1: Trade circumvention

A trade measure introduced by an OECD country to counter excess capacity-driven imports incentivises the excess capacity exporter to circumvent these measures, for instance, by exporting via an intermediary economy

Example

Chinese producers used Malaysian assembly operations as a way to see stainless-steel fittings on the EU market as these products from China and Taiwan were facing anti-dumping duties.[18]

Indicators

- Import volumes of products facing trade measures from countries other than the country targeted by the measure
- Export of semi-finished products from sources of excess capacity to non-targeted markets

Alternatively, producers might attempt to find new markets to send the product to, likely at a discounted price, which amounts to trade deflection or redirection. In this case, exports are deflected to other destinations where imports are less restricted, often triggering import surges and price pressures. Domestic steel products in those destinations are displaced and exported to other markets. Often, steel, either from sources of excess capacity or third countries, finds its way, or is diverted, back to the country imposing more restrictive trade measures.

[18] Accessed from https://policy.trade.ec.europa.eu/news/eu-renews-anti-dumping-measures-stainless-steel-fittings-china-and-taiwan-five-years-extends-2023-04-14_en in October 2025.

Box 9: Trade policy induced secondary channel 2: Trade deflection

A trade measure introduced by a member country to counter excess capacity leads to higher exports from an excess capacity economy to other member countries

Example

- Growth in Latin American imports from China, from 1.0 mmt in 2019 to 5.8 mmt in 2025 (annualised), is concurrent with growing trade barriers in traditional steel importers, such as US, Canada, and the EU.

Indicators

- Import volume of products targeted by measures from countries generating excess capacity to third countries, with weaker trade measures

Trade policy can have an effect on the regional steel supply chains by disrupting established flows, increasing costs, and creating market uncertainty. Measures can have negative impacts on highly integrated supply chains, including by increasing administrative costs and uncertainty for businesses, and restricting or even crowding out traditional trade flows from OECD member economies. Trade policy can also have a negative impact on downstream industries. A tariff on imported steel typically raises the material cost for steel-using industries. These manufacturers must either absorb the cost, which reduces their margins, or pass it to consumers, which can lead to inflationary pressures. Moreover, as supply chains are optimised for efficiency, tariffs can make importing specific, high-quality, or custom-grade steel expensive, forcing manufacturers to use less optimal substitutes. Such substitutions can compromise the quality or performance of the final product.

Box 10: Trade policy induced secondary channel 3: Supply chain impairment

Trade actions undertaken by OECD countries towards non-excess capacity economies on steel may impact steel supply chains and trade flows among OECD economies.

Example

Some OECD countries have highly integrated supply chains and can experience disruptions from trade policy. For example, restrictive global tariff-rate import quotas in a trading partner can disadvantage domestic producers of highly specialised steel grades as compared to others producing large volumes of commodity steel products, and, as a consequence, forcing them to halt deliveries to that market until the next quarter's quota is opened or even crowding them out.

Indicators

- Trade flow changes following the imposition of trade measures.
- Share of steel input cost in the steel-using industries.
- Price of steel products is impacted by trade measures.

The mapping of channels of excess capacity transmission is a dynamic concept that can be amplified if multiple channels take effect concurrently. The channels are interlinked and might shift depending on the effects that the other channels have on the Committee members' economy. For example, the excess capacity induced transmission can rise when trade actions take effect against the excess-capacity-producing economy by another country, and as a result, the direct exports to a member country grow. The concept might also change over time as countries search for targeted and timely solutions.

Testing the excess capacity channels in Latin American countries

The global excess capacity exerts complex and multi-layered effects on the market. The first impacts typically occur through primary channels such as direct steel exports and exports of steel-embedded goods. The second wave of effects follows, when these direct exports saturate the markets in the intermediary economies and imply a loss of market for traditional exporters as well as domestic producers, supplying traditionally domestic market needs that were replaced by cheaper imports. Additionally, over a longer time horizon, intermediary economy markets attract foreign direct investments from excess capacity countries and start operating, adding to global excess capacity. Finally, if countries adopt trade measures, the excess capacity imports are countered. Such actions force exporters to adjust their sales strategies, which falls under the trade-policy-induced channel. Although the influence of individual channels is often difficult to isolate, certain patterns can help identify which channel mechanisms are most significant.

Box 2. A snapshot of the Latin American steel industry

Latin America produced about 54 mmt of crude steel in 2024, accounting for roughly 3% of global output and maintaining a relatively stable production level in recent years. The region's largest producer is Brazil (about 34 mmt in 2024), followed by Mexico (14 mmt) and Argentina (4 mmt), with Chile contributed around 1 mmt. A group of smaller producers, including Colombia, Ecuador, El Salvador, Guatemala, Paraguay, Peru, Uruguay, and Venezuela, together accounted for about 3.5 mmt, or 6% of Latin America's total production (Worldsteel, 2025[22]). On the demand side, the region demand (production + trade balance) stood at 74 mmt in 2024.. By 2024, the region was importing over 32 mmt of steel, and its exports fell to 14 mmt. The region's capacity utilisation rate is low, at 60% of total capacity.

The defining feature of Latin America's steel industry is its declining competitiveness amid surging imports from China. Over the past five years, regional steel exports have fallen by 6%, with Brazil, which is the dominant exporter in the region, seeing its exports contract by nearly a quarter compared to 2019 volumes and 8% compared to 2020 volumes (Table 1, Table 3). Meanwhile, imports have surged by more than 80% since 2020, with Brazil more than doubling its import volumes (Table 2, Table 4).

This influx of cheaper Chinese steel has not only displaced Latin American exports but also reshaped trade dynamics within the region, as intra-Latin American trade diminishes. Between 2022 and 2024, intra-regional imports plummeted by 56%.

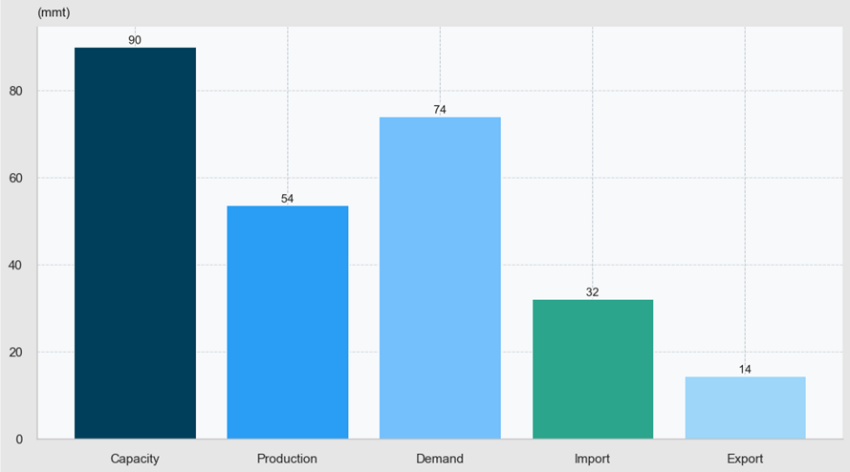
Structural challenges compound the pressure from high input costs, including raw materials and energy, infrastructural bottlenecks, a fragmented regulatory framework, and insufficient investment in modernisation. These weaknesses often have irreversible consequences, especially for smaller steel producers with less diversified production. The closure of Chile's largest steel mill *Compañía Siderúrgica Huachipato* in 2024 after 74 years of operation illustrates the broader risks of industrial decline. Against this backdrop, Latin American producers and industry associations are pressing for

stronger defence measures to counter unfair trade practices, amid growing concerns about deindustrialisation, losses of high-quality jobs, and the erosion of the region's manufacturing base.

Latin America's exposure to steel excess capacity is visible through direct imports from excess capacity-generating economies. Increasingly, also exports of steel-embedded goods are visible, and steel enters the region through secondary channels, especially via ASEAN economies, as well. A wave of trade barriers enacted in 2024 across OECD countries might have also increased steel imports in Latin American countries, as traditional export routes were redirected towards new markets.

Figure 6. Steel market indicators in Latin American countries show underutilised capacity

Volumes in mmt, 2024



Note: Note: See Annex 4A Glossary for the regional definitions.
Source: Demand is estimated as crude steel production plus imports minus exports (traded products are transformed to crude steel equivalent using standard adjustment coefficients), using production data from worldsteel and trade data from ISSB. Import and export data are compiled from monthly ISSB trade data. Capacity is based on OECD calculations. Production is based on worldsteel's monthly crude steel production data aggregated annually. Demand is based on worldsteel and trade data from ISSB. Import and export data are based on ISSB.

Latin America, which produces about 3% and imports about 5% of global steel trade, has become one of the main destinations for excess capacity (Box 2). The region's exposure is most evident through primary channels as direct imports of underpriced steel from sources of excess capacity, imports of steel-containing goods (indirect trade), and flows via intermediary economies and subsidiaries, particularly from ASEAN countries. More recently, Latin America has also been increasingly affected by the redirection of exports originally destined for markets that have since raised trade barriers. In response, Latin American economies have increasingly turned to trade-defensive measures, signalling both the depth of the challenge and the strain on regional competitiveness.

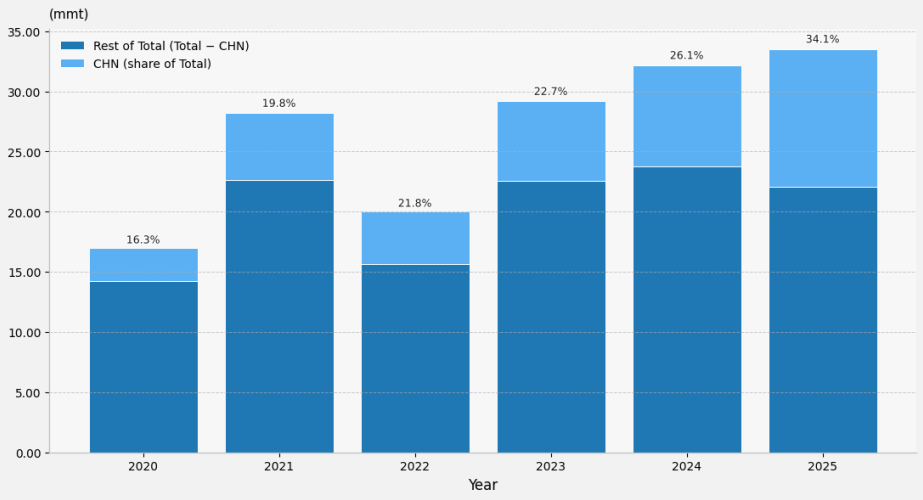
Primary channels of excess capacity spillovers: Latin America imports a large share of the exported excess capacity

Latin America's direct imports from sources of excess capacity are on the rise, demonstrating the primary channel of transmission of global excess capacity in practice. In 2025, one-quarter of the steel imports are being sourced directly from China. Total imports of steel into Latin America jumped from 17.0 mmt to 33.5 mmt between 2020 and 2025, and imports from China quadrupled over the same period, increasing from 2.8 mmt to 11.4 mmt. Brazil's imports from China have quadrupled between 2020 and

2025 from 0.9 mmt to 3.7 mmt. Other Latin American economies are also experiencing growth in Chinese imports, although at a smaller rate. This evolution exemplifies the "direct steel exports" mechanism described in the taxonomy of primary channels where excess production in excess capacity economies spills over into global markets, exerting downward pressure on prices and displacing local output (Figure 6).

Figure 6. Latin America imports 25% of its steel from China, up from 16% in 2019

Steel import volume in mmt, 2019-2025 (annualised)

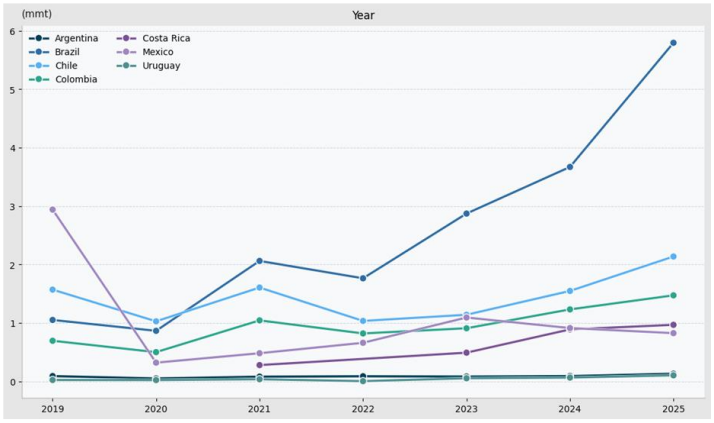


Note: See Annex 4A Glossary for the regional definitions.
The 2025 data are annualised Q1 2025 volumes.
Source: OECD based on ISSB data.

A closer look at individual Latin American economies reveals considerable heterogeneity in how excess capacity has affected steel imports from China. Brazil stands out as the primary destination, with imports rising sharply from 1.0 mmt in 2019 to 5.8 mmt in 2025, accounting for more than half of Latin America's total steel imports from China. This sustained surge reflects both Brazil's large domestic market and the competitive pricing of Chinese exports. Chile and Colombia also recorded increases, with imports in 2025 reaching annualised levels of 2.1 mmt and 1.5 mmt. Mexico's imports peaked at 1.1 mmt in 2023 before slightly declining in 2025. Costa Rica's imports, which were low before 2021, expanded rapidly to almost 1.0 mmt in 2025. Argentina and Uruguay remained marginal importers, though both recorded steady growth in recent years (Figure 7).

Figure 7. Import growth from China is most pronounced in Brazil among Latin American countries

Import volumes by country, in million metric tonnes, mmt

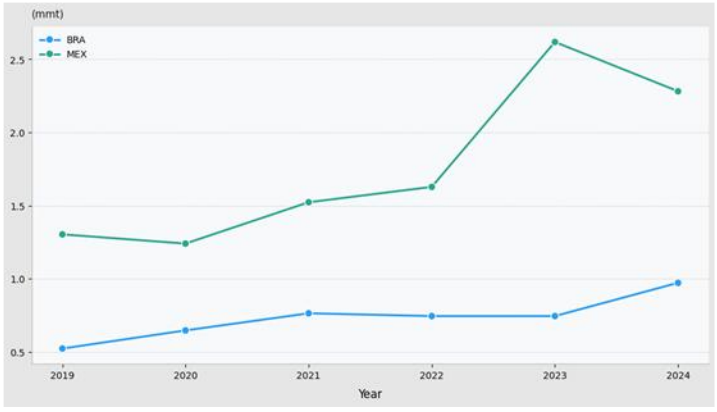


Source: OECD based on ISSB data.

A growing share of China's excess steel output is transmitted to Latin America through indirect trade in steel-embedded goods.[19] The excess capacity exported via this channel may have doubled over the past five years, as demonstrated by the data from Brazil and Mexico, the region's two largest steel-producing economies. In Brazil, indirect steel import volumes rose by 85.8% between 2019 and 2024, reaching 0.97 mmt. Mexico's imports increased by roughly 75% over the same period, reaching 2.3 mmt in 2024 (Figure 8).

Figure 8. Indirect import from China to two large economies in Latin America is growing

Indirect import from China two largest Latin American economies, in mmt



Note: Indirect steel trade is estimated in two stages. The first stage involves the collection of import data of downstream products at the HS 6-digit level. In the second stage, the steel content embedded in these imports is calculated by applying combined steel coefficients derived from the OECD Inter-Country Input-Output (ICIO) tables (in USD terms) and worldsteel technical coefficients (in tonnes). The ICIO coefficients capture country and industry-specific variations in steel use, and worldsteel coefficients provide product-level physical intensity.

[19] Exports of Chinese steel, embedded in manufactured goods such as machinery, vehicles, and fabricated metal structures, reach Latin American markets as value-added products rather than as primary steel products. Exports of steel-intensive downstream products are referred to as "indirect steel exports".

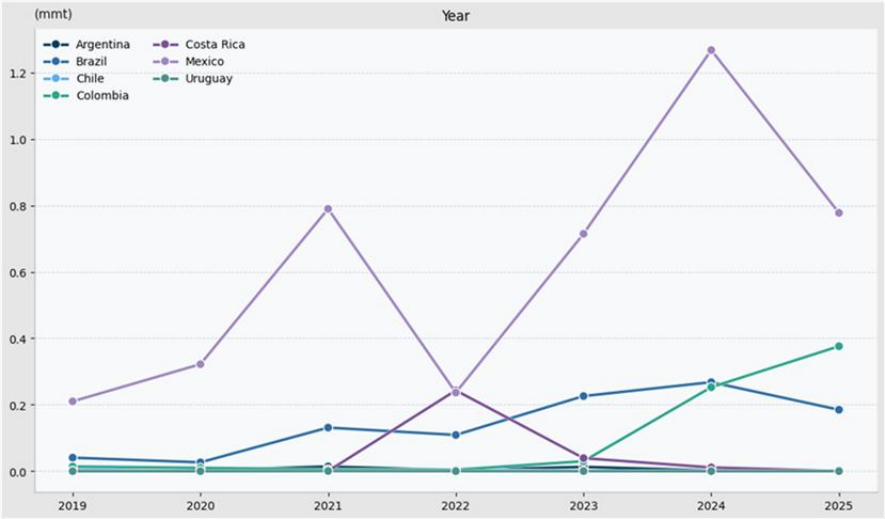
Source: OECD

Excess capacity is increasingly exported also through "secondary channels"

The rise in exports from the ASEAN region illustrates how foreign direct investment (FDI) and the redirection of exports result from "crowding-out effects" in domestic markets. These factors contribute to the spillover of excess steel capacity into global markets. Increasing exports from ASEAN economies provide clear evidence that these intermediary routes are becoming an additional conduit for transmitting excess steel capacity worldwide. This holds for the Latin American market as imports from ASEAN economies have increased significantly. This is particularly the case for Mexico, where steel imports from the ASEAN region were more than 6 times higher in 2024 than in 2019, reaching 1.3 mmt. In other Latin American countries, imports from ASEAN were virtually non-existent before 2021, but have expanded markedly thereafter. By 2024, Colombia and Brazil imported around 0.5 mmt of steel from this region (Figure 9).

Figure 9. The Latin American region increasingly imports from the ASEAN region

Volume of imports by country per year, in mmt

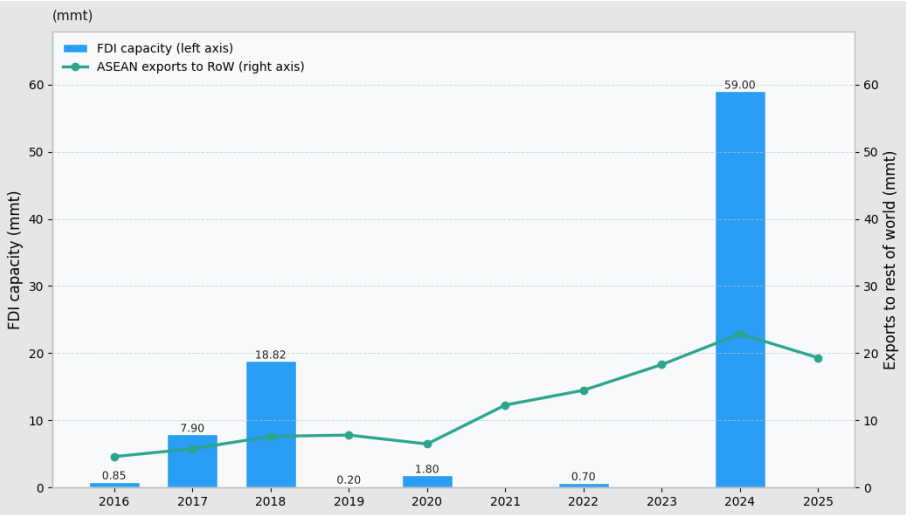


Note: See Annex 4A Glossary for the regional definitions.
Due to missing data, the dataset relies on mirrored data, where the missing import data is completed with ASEAN export data to Latin American countries.
Source: OECD based on ISSB data

In the case of ASEAN steel exports, FDI-related exports and exports of steel that are displaced from local market channels intertwine. The resulting imports are an interplay of both channels. The ASEAN region has been increasing its capacity and might be directly responsible for some of the excess capacity on the market, partly due to the growth of Chinese FDI investments in the region. Between 2017 and 2018, 23 mmt of Chinese FDI capacity started operating in the ASEAN region, and in 2024, an additional 59 mmt of new capacity coming from the Chinese FDI investments started operating, increasing the potential for supplying even more to global markets. This additional capacity gradually helped to increase steel exports from the region from about 4.7 mmt in 2016 to 24.5 mmt in 2024 (Figure 10).

Figure 10. Exports from the ASEAN region might be the result of Chinese overinvestment

Announcements of capacity expansion from Chinese FDI in ASEAN and steel exports from ASEAN, in mmt



Note: The FDI-related capacity is estimated from plant-level capacity in ASEAN facilities with Chinese ownership, reflecting operational capacities of Chinese-invested steel plants in the region. The count excludes announced projects that have not yet commenced production.
Source: OECD based on ISSB data and JISF data

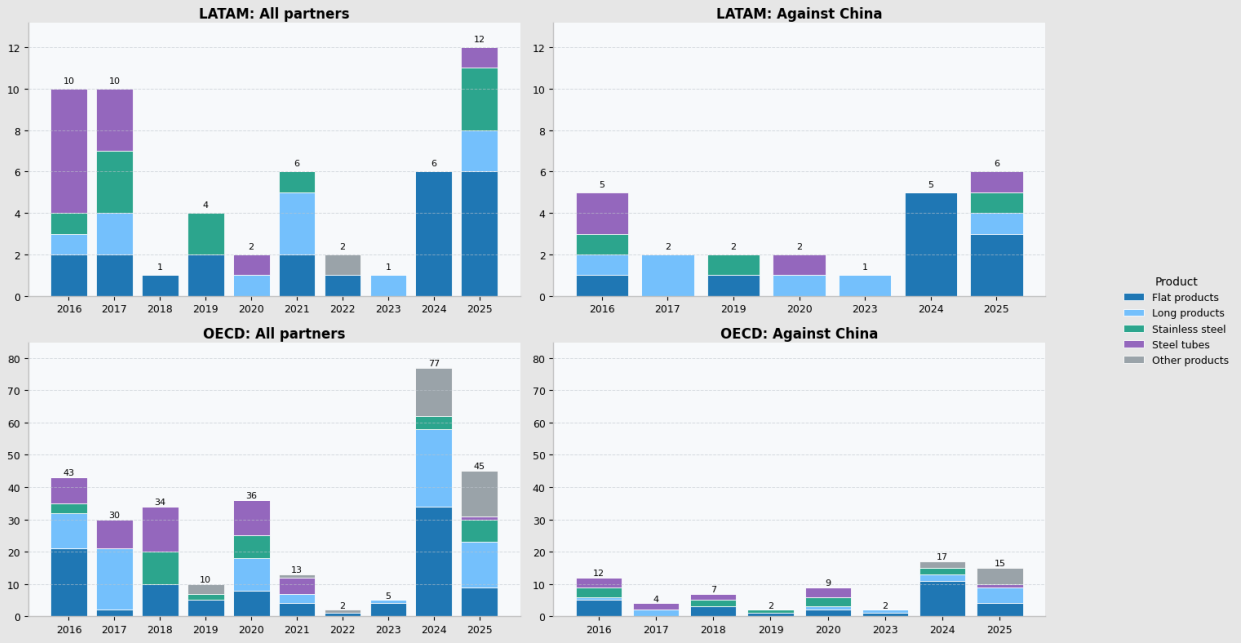
Trade-policy-induced channels are a possible reason for excessive imports into Latin America

Trade-policy-induced channels are increasingly shaping global steel trade patterns. Trade defence measures and other trade actions have multiplied in response to the surge of excess-capacity-driven exports, and they have also contributed to a reallocation of trade flows toward less-protected markets as producers choose to circumvent or deflect their products. Latin America is one example of a region that has emerged as a key destination for redirected exports, as many of its trade actions were taken after OECD countries introduced measures, which have generally been less restrictive and have taken longer to implement final determinations than in other key countries. The resulting fall in prices and growing import penetration jointly illustrate how trade policy responses can have spillover effects on other countries.

The growing pressure from imports of steel from an excess capacity economy has been mirrored by a surge in trade investigations across the world. In 2024 and early 2025, Latin American economies increased the number of trade remedies in response to the surge in imports, especially those suspected of unfair trading practices. However, many countries have started many investigations earlier, as the OECD economies opened 77 investigations in 2024 and 45 investigations in the first half of 2025 (Figure 11). This might have induced some of the exports originally destined for OECD markets to be redirected to the Latin American economies.

Figure 11. AD/CVD actions taken by OECD economies were initiated faster than in Latin America

AD/CVD actions by region and origin: Latin America vs OECD, from 2016 to 2025



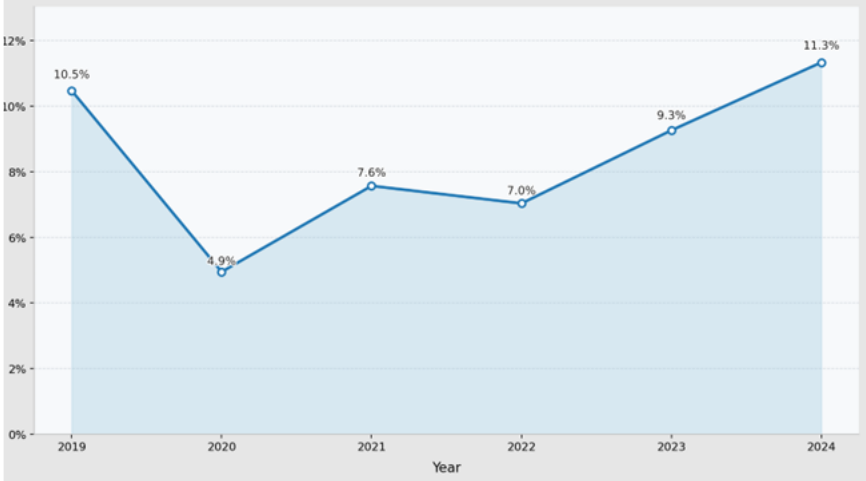
Note: The 2025 values represent trade actions until June 2025. AD and CVD are counted separately. Only new investigations that were initiated in the given year and concern finished steel products are counted.
Source: OECD based on JISF trade remedy data.

The escalation of certain trade remedy actions in major markets has reshaped global trade flows of steel. This diversion effect is especially visible in Latin America, where import growth from China has far outpaced that of other regions. Between 2020 and 2025, imports from China to Central and South America have increased by 150% (Figure 3).

The growth in imported Chinese steel outpaces domestic steel demand in Latin American **economies, displacing domestic production**. The persistent redirection of Chinese exports toward markets with fewer trade measures in place has begun to reshape domestic market dynamics in Latin America. As a result of these *trade-policy-induced channels*, the inflow of imported steel from China has grown at a pace that increasingly outstrips the expansion of regional steel demand, exerting pressure on local producers. In 2019, imports from China accounted for 10.5% of total steel demand in Latin American economies. This share dropped sharply to 4.9% in 2020, reflecting the temporary contraction in regional demand during the pandemic. Since then, however, the penetration of Chinese steel has risen steadily, reaching 11.3% in 2024 (Figure 12). This pattern reinforces the argument that trade-policy-induced deflection rather than demand growth alone is driving the regional import surge.

Figure 12. Import penetration of Chinese steel has increased sharply in Latin America

Imports from China to Latin America as a share of total crude steel demand in Latin America, 2019-2024

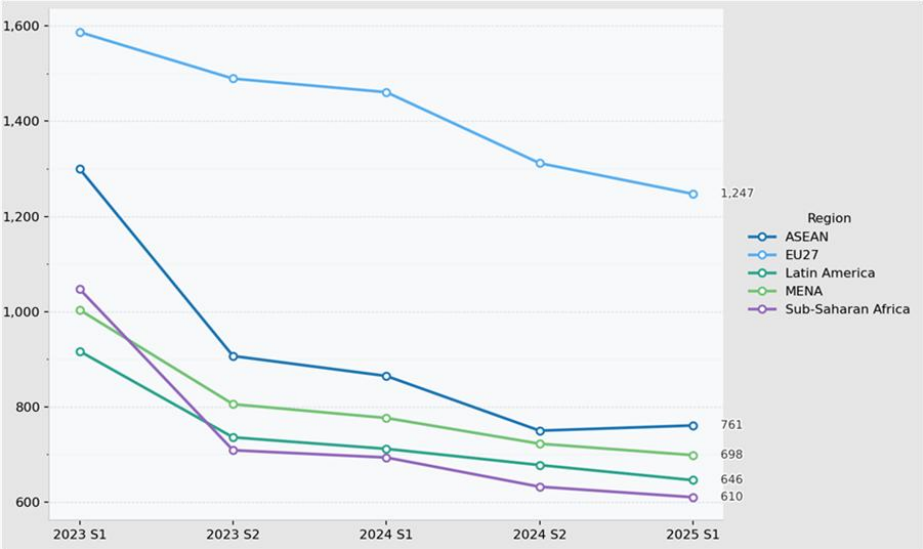


Note: Latin America includes the following countries: Argentina, Brazil, Chile, Colombia, Costa Rica, Mexico, and Uruguay. The import penetration rate is calculated as the total demand of Latin America economies divided by their total imports from China. Demand is estimated as crude steel production plus imports minus exports, using production data from worldsteel and trade data from ISSB. Import and export data are calculated from monthly ISSB trade data.
Source: OECD based on ISSB data and worldsteel.

The average value of Latin America's imports of the largest steel category has fallen, hinting that Chinese imports have gained market share due to their low pricing or lower quality. The growing penetration of Chinese steel in Latin American markets has also been accompanied by a pronounced decline in prices, suggesting that price competitiveness, rather than product differentiation, has become the primary driver of market share gains. As *trade-policy-induced channels* redirected low-priced exports from protected markets toward less defended regions, Latin America has increasingly absorbed cheaper flat products, amplifying pressure on domestic producers. Although the value estimate is an imperfect proxy for the actual price of the product, the trend of continuously falling export unit values from China to international markets, including Latin America (China records the lowest average value among all regions), demonstrates the overall weakness in the steel markets. The Latin American regional average unit value of imported flat products fell from around USD 916.5 per tonne in 2023 to roughly USD 645.6 per tonne in 2025, marking a decline of nearly 29.5% over two years. Compared to other regions, Latin America consistently recorded the lowest import unit values, underscoring the region's growing exposure to cheaper steel inflows from China. This pattern indicates that the region's rising dependence on low-cost imports is not merely a volume issue but also a structural shift toward lower-value trade, reflecting how global overcapacity and policy-driven trade diversion jointly contribute to weakening market conditions (Figure 13).

Figure 13. Flat products imported to Latin America have the lowest value across regions

Average value of flat products imported from China over time and by region, in USD per ton



Note: Flat product export prices by region are derived from ISSB China export data. Market countries are mapped to ISO codes and assigned to OECD regional groups. For each HS6 tariff and partner, the most frequent tariff line is selected. USD values and tonnes are summed, and unit prices (USD per tonne) are calculated. Outliers beyond 1.2 standard deviations from regional averages are replaced with regional means. HS codes are matched with worldsteel product categories, excluding stainless steel. Weighted average prices by region are computed using USD-based weights. Each regional series is rebased to the previous year average = 100, and year-on-year changes are calculated. Regions are defined in the Appendix.
Source: OECD calculations based on ISSB data.

5 Concluding remarks

This report shows that the global steel market is facing rapid growth in exports from countries generating excess capacity. In recent years, the global steel market has experienced a significant surge in exports from countries with substantial excess production capacity. This trend has become particularly pronounced during 2023 and 2024, with Chinese steel exports more than doubling compared to the 2020 level and recent monthly data suggesting that Chinese exports in 2025 may surpass last year's record level. The rapid expansion of steel shipments from China, alongside other excess capacity countries, has led to much weaker conditions in international steel markets, disrupting trade flows and exacerbating tensions among steel-producing nations worldwide.

Excess steel capacity continues to be transmitted internationally through excess capacity-induced and trade policy-induced channels, both via primary and secondary mechanisms. These channels are not fixed, however, and exporters in excess-capacity economies are likely to develop new ways to offload their surplus steel in the future, if excess capacity continues to grow and countries continue to take actions to address its consequences. These channels should be monitored carefully in the future to help members identify possible new ways through which surplus steel is being offloaded in international markets.

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Annex 5.A. Glossary

Country groupings used in the data aggregations are as follows:

ASEAN member countries are Brunei Darussalam, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Cambodia, and Thailand.

Central and South America includes: Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Cuba, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Jamaica, Nicaragua, Panama, Peru, Paraguay, Trinidad and Tobago, Uruguay, and Venezuela.

Latin America includes the following countries: Argentina, Brazil, Chile, Colombia, Costa Rica, Mexico, Uruguay.

Middle East includes Bahrain, Iran, Jordan, Kuwait, Oman, Quatar, Saudi Arabia, United Arab Emirates, Yemen.

European Union (27) includes the following countries: Austria, Belgium, Bulgaria, Cyprus[20], Czech Republic, Germany, Denmark, Spain, Estonia, Finland, France, Greece, Croatia, Hungary, Ireland, Italy, Lithuania, Luxembourg, Latvia, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Sweden.

Other Asia countries include Hong Kong, Mongolia, Chinese Taipei, Sri Lanka, the Democratic People's Republic of Korea, and Turkmenistan.

Other Europe countries include Macedonia, Norway, and Serbia.

ASEAN includes the following countries: Brunei, Indonesia, Cambodia, Laos, Myanmar, Malaysia, Philippines, Singapore, Thailand, and Viet Nam.

USMCA includes Canada, Mexico, and the USA.

Advanced economies are the countries classified under IMF definition

WLD EIT is the world excluding intra-European trade.

WLD – EIT - CHN excludes China.

WLD – OECD are the values for the World, excluding the OECD countries.

[20] The information in this document with reference to "Cyprus" relates to the southern part of the Island. There is no single authority representing both Turkish and Greek Cypriot people on the Island. Türkiye recognises the Turkish Republic of Northern Cyprus (TRNC). Until a lasting and equitable solution is found within the context of the United Nations, Türkiye shall preserve its position concerning the "Cyprus" issue."