



ITEM 8: LATEST DEVELOPMENTS IN STEELMAKING CAPACITY AND OUTLOOK UNTIL 2026

95th session of the Steel Committee
Paris, 25 March 2024

Masanobu Nakamizu
masanobu.nakamizu@oecd.org

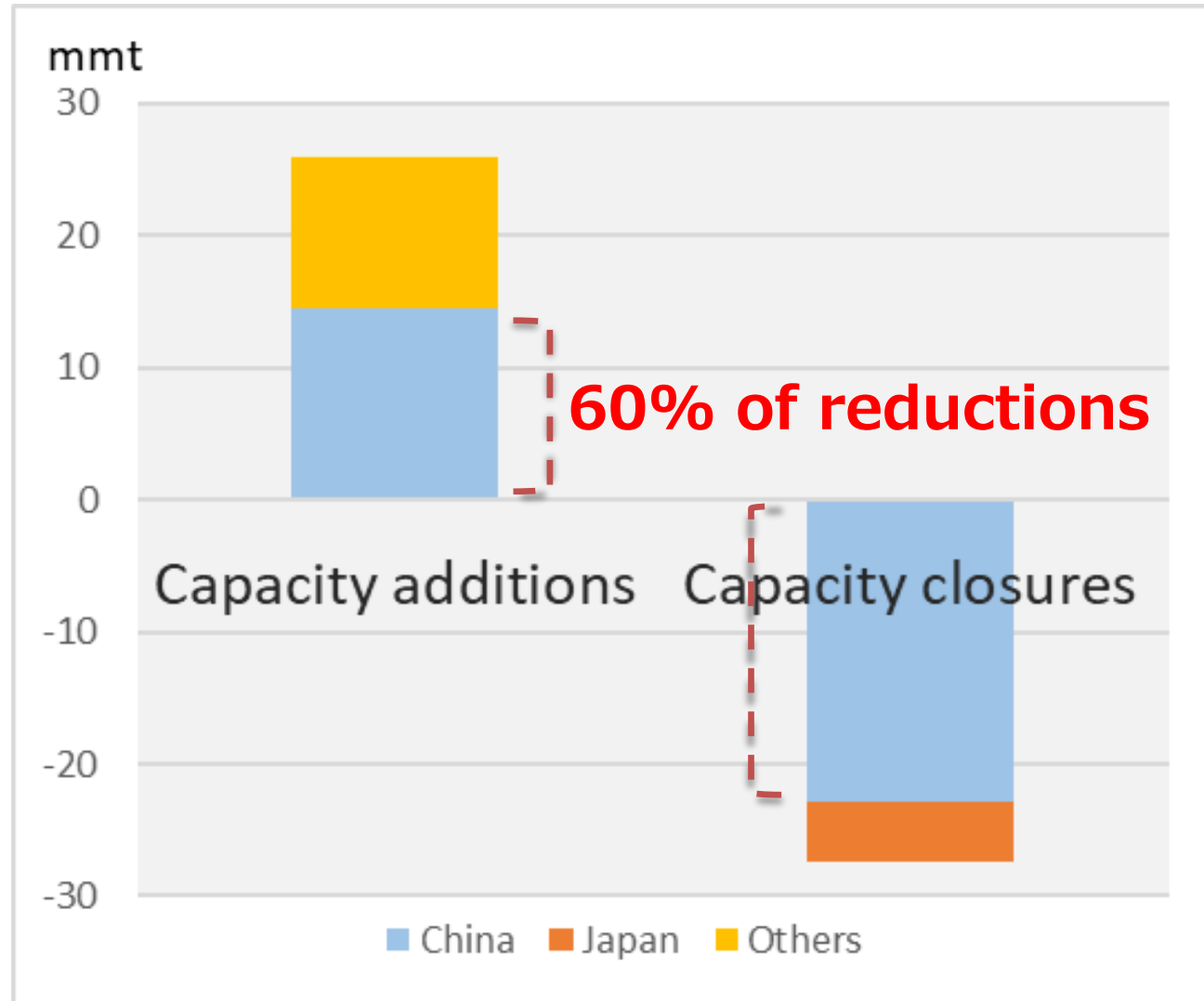


Contents

- **Steelmaking capacity in 2023**
- **Steelmaking capacity outlook for the next three years**
- **Cross-border investment in steelmaking capacity**

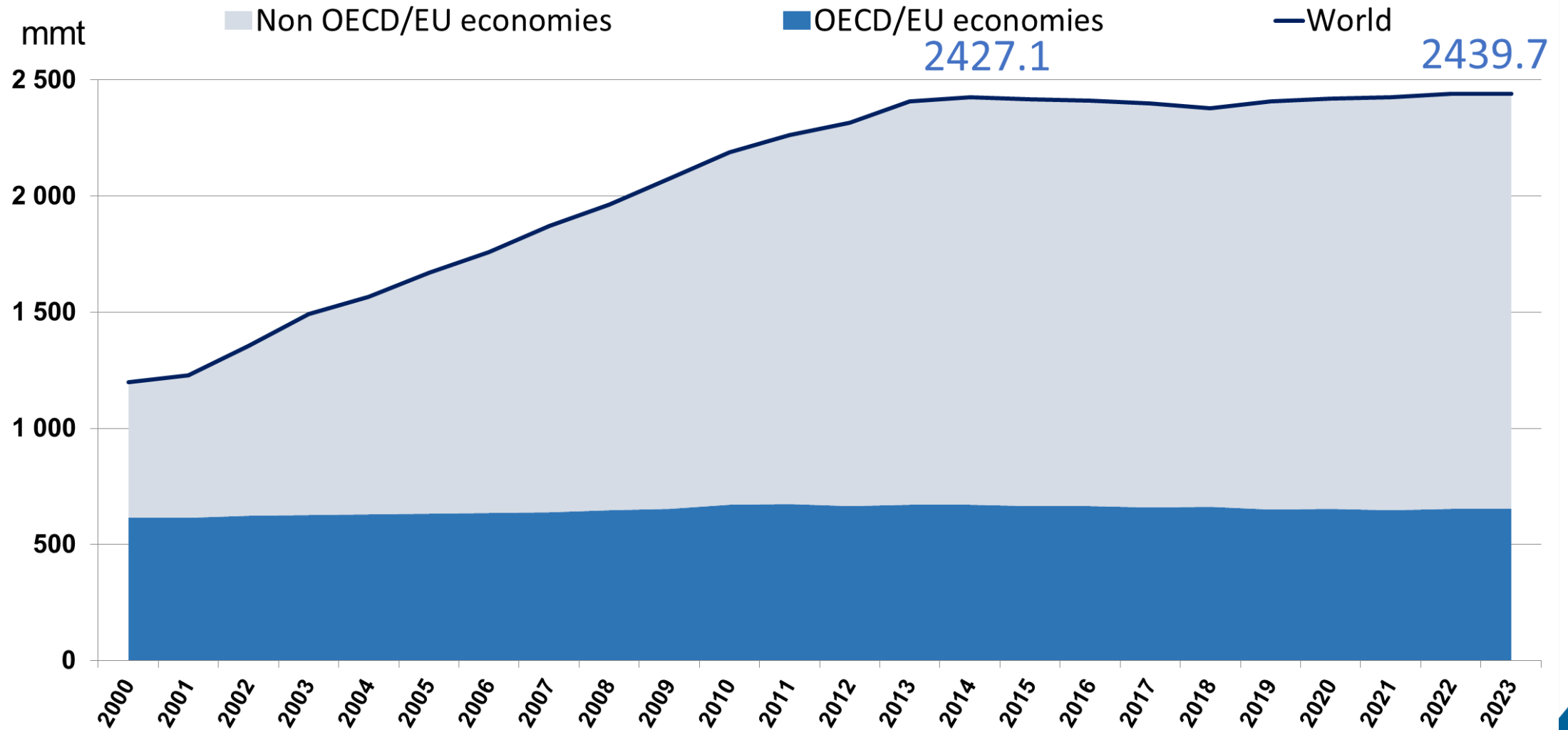


China and Japan implement significant closures in 2023, but net reduction is marginal



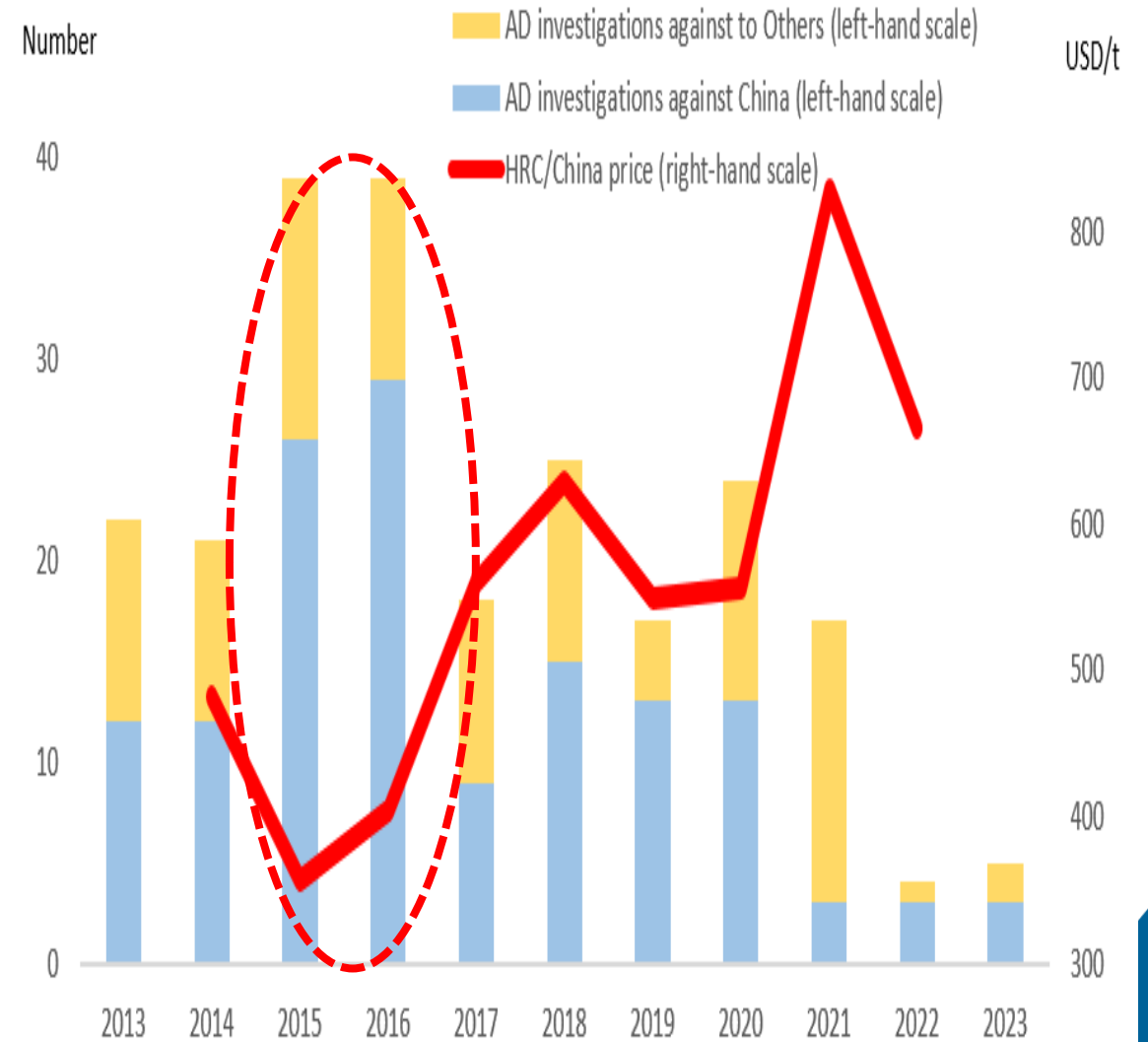
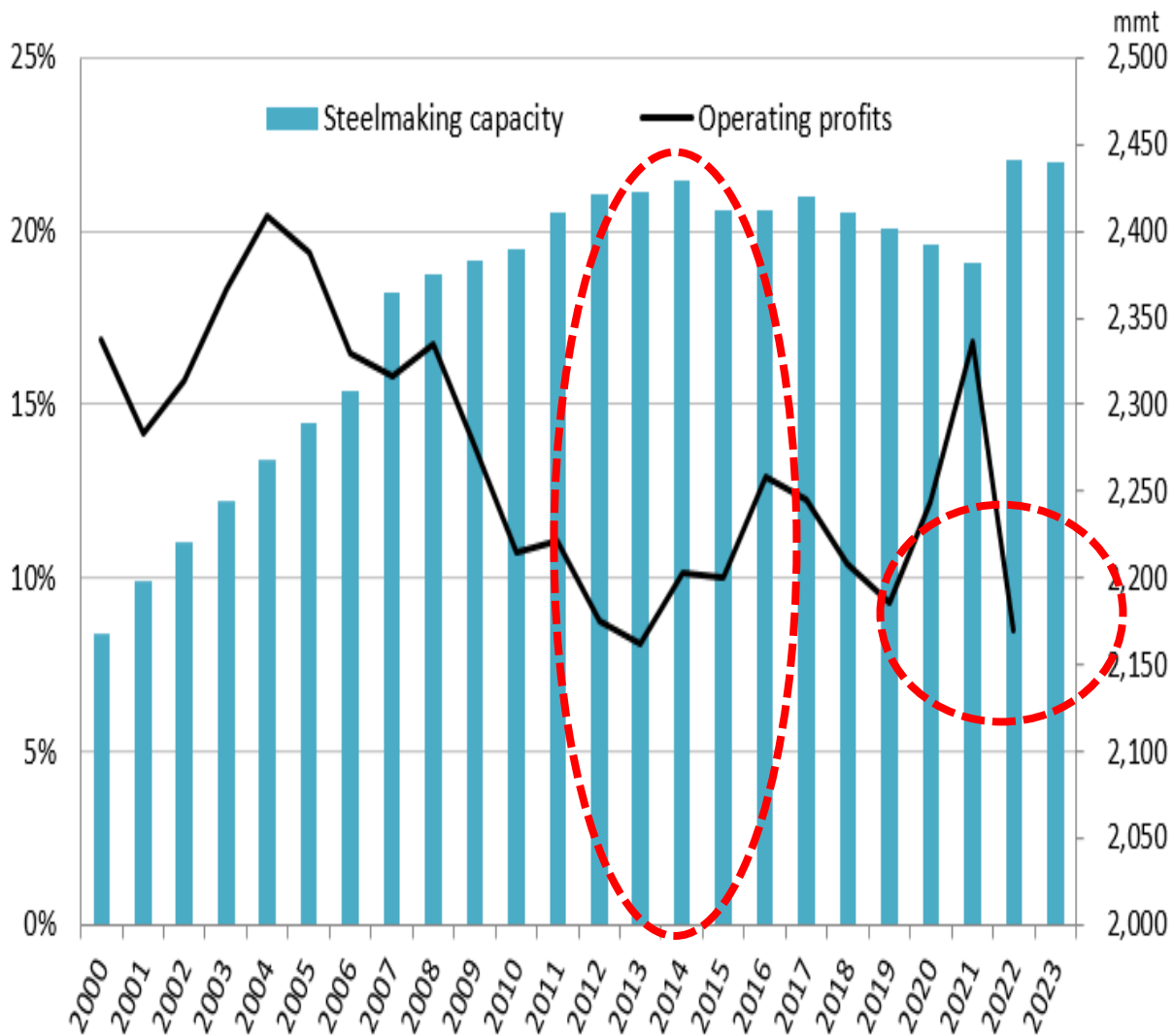


Global steel capacity remains high



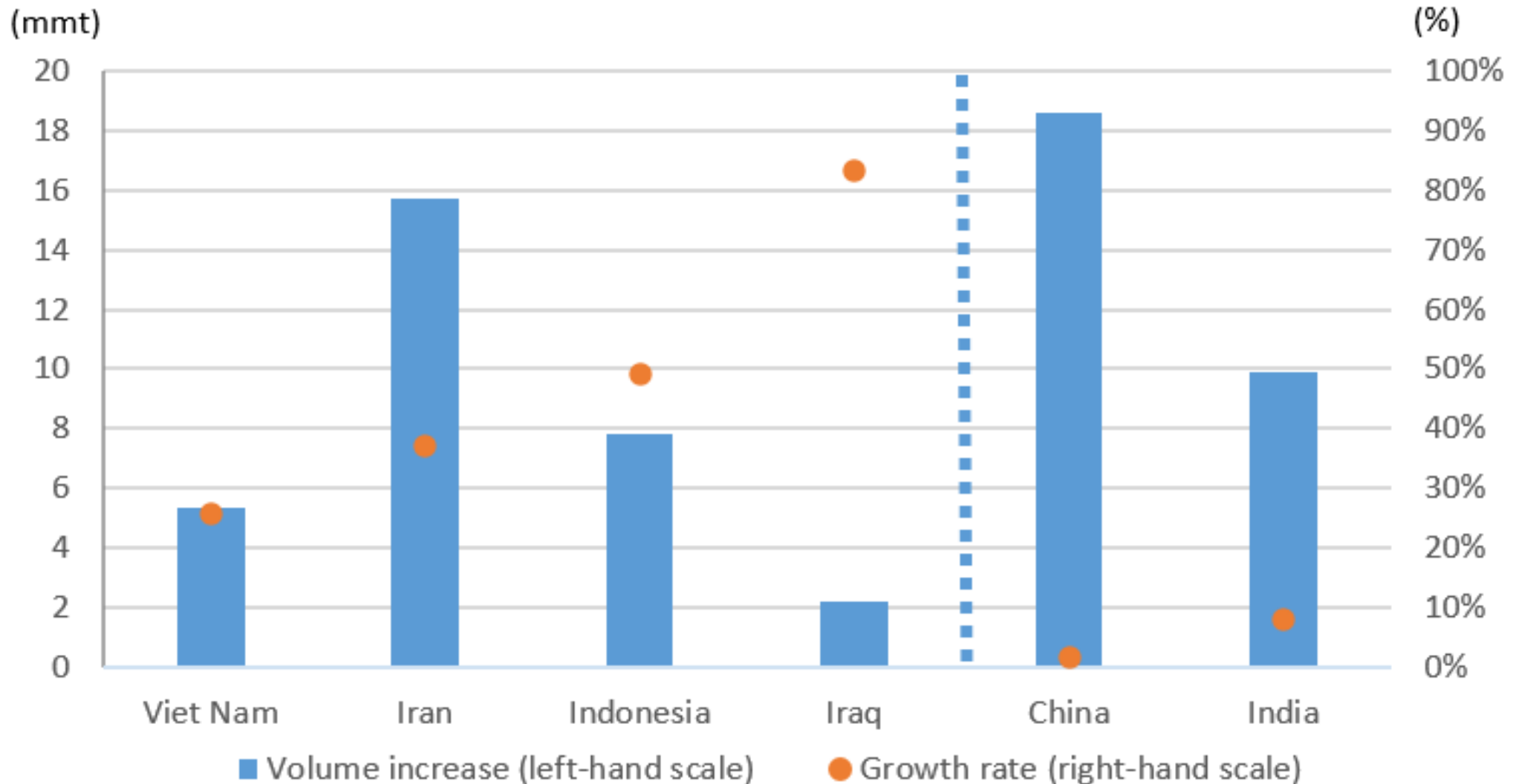


The downward trend in profitability is a cause for concern



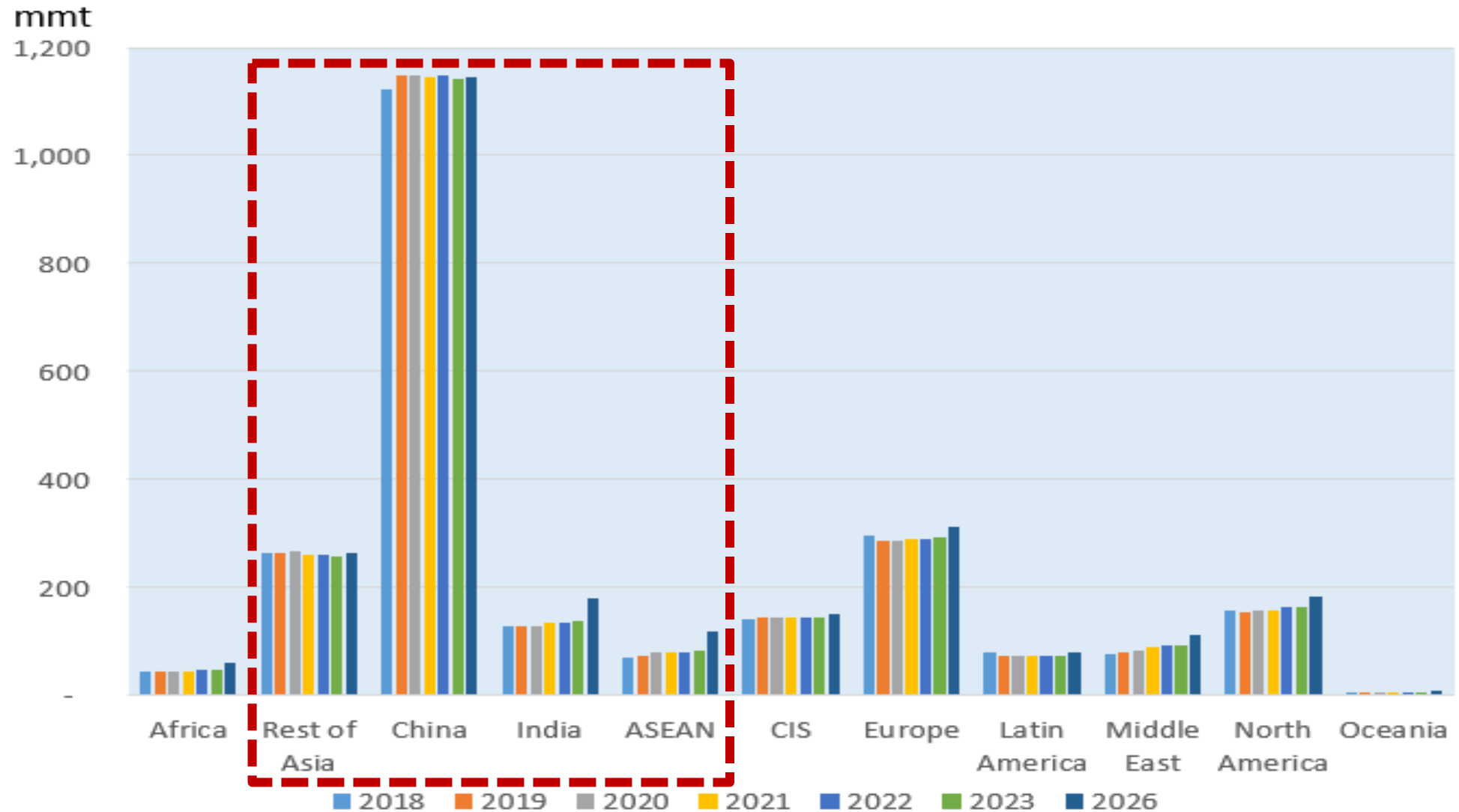


ASEAN and the Middle East contribute most to capacity growth over five years



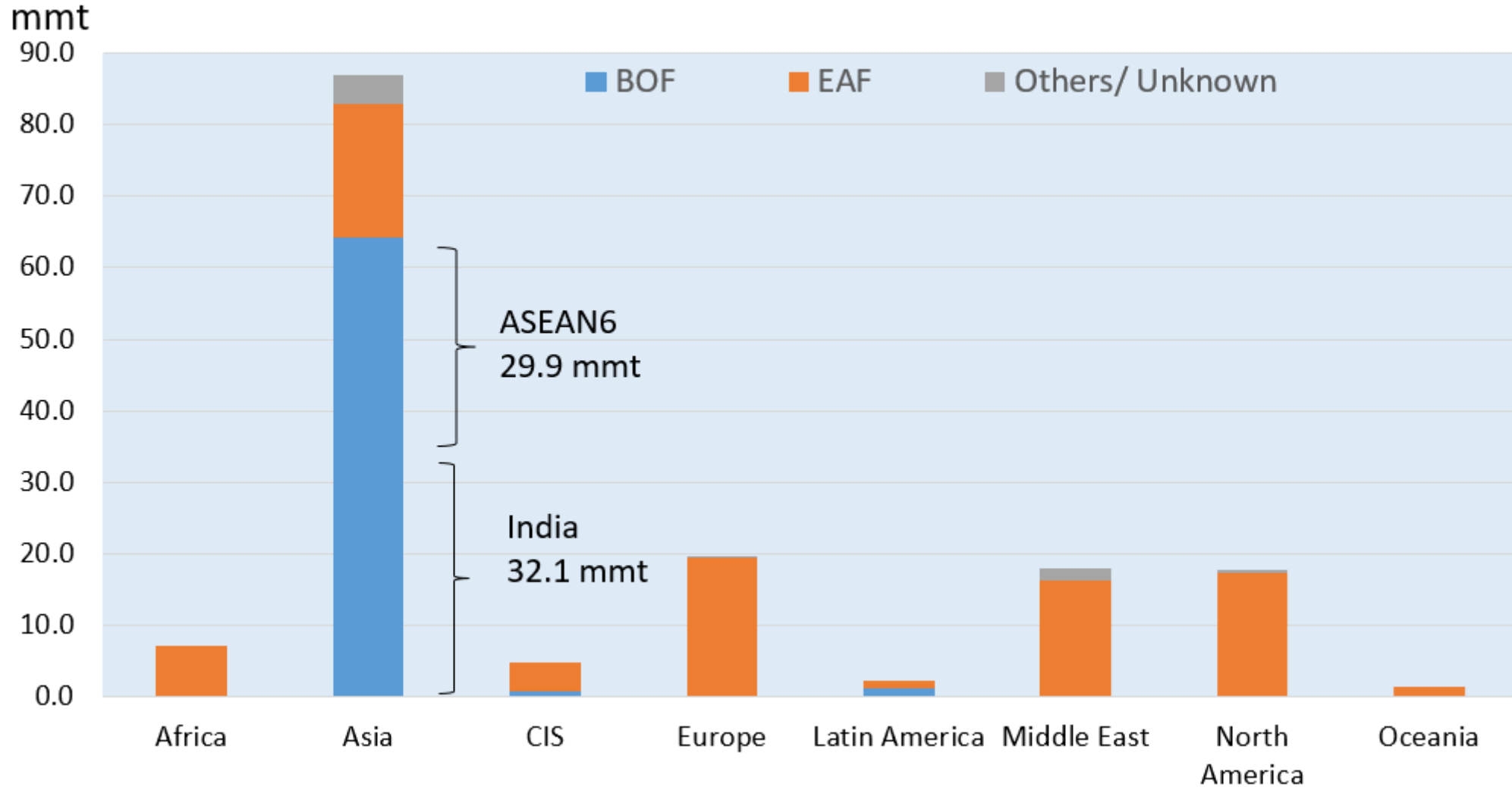


Asia will continue to see significant increases in steelmaking capacity



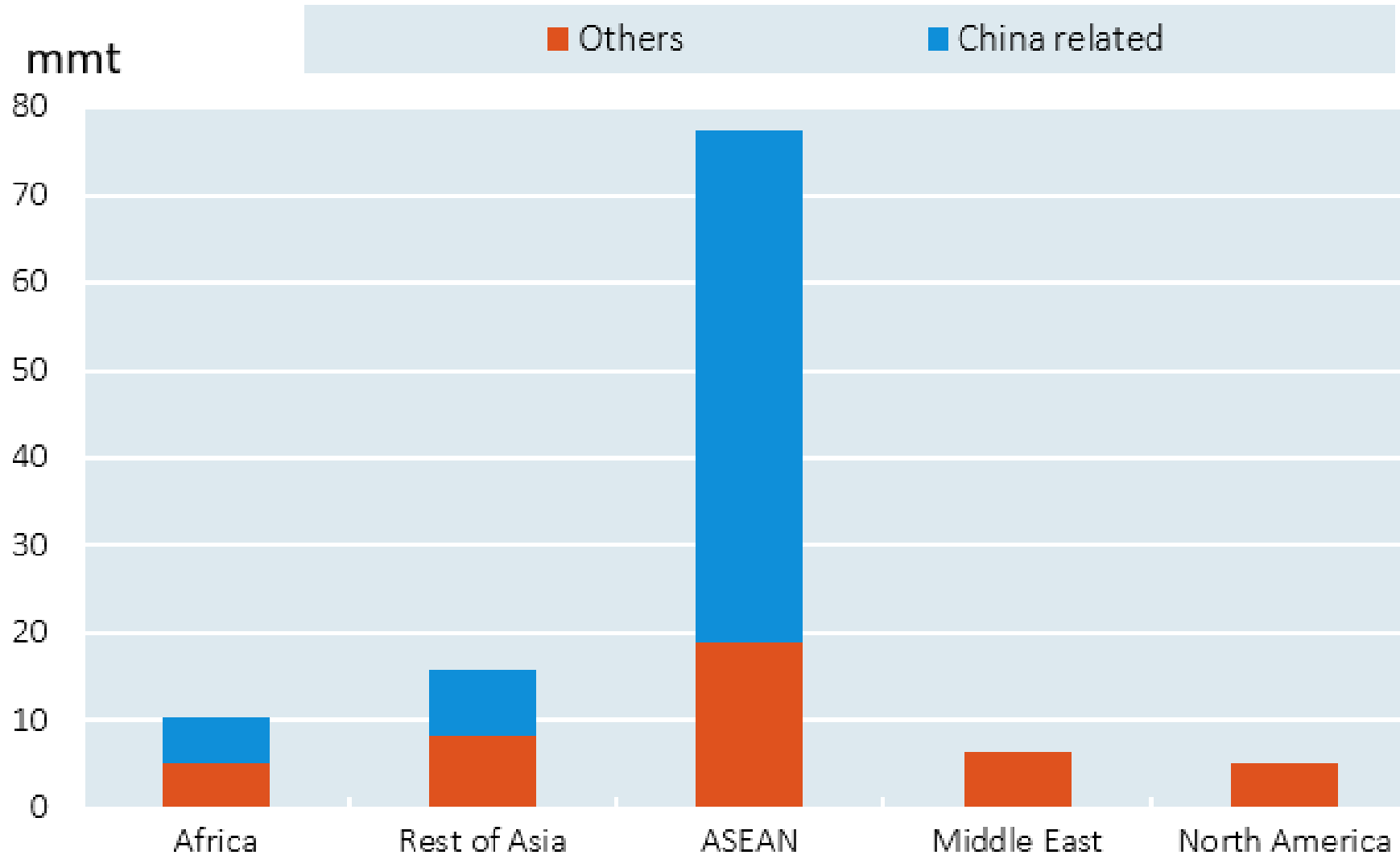


Shift to low-carbon steelmaking process, but significant differences between regions



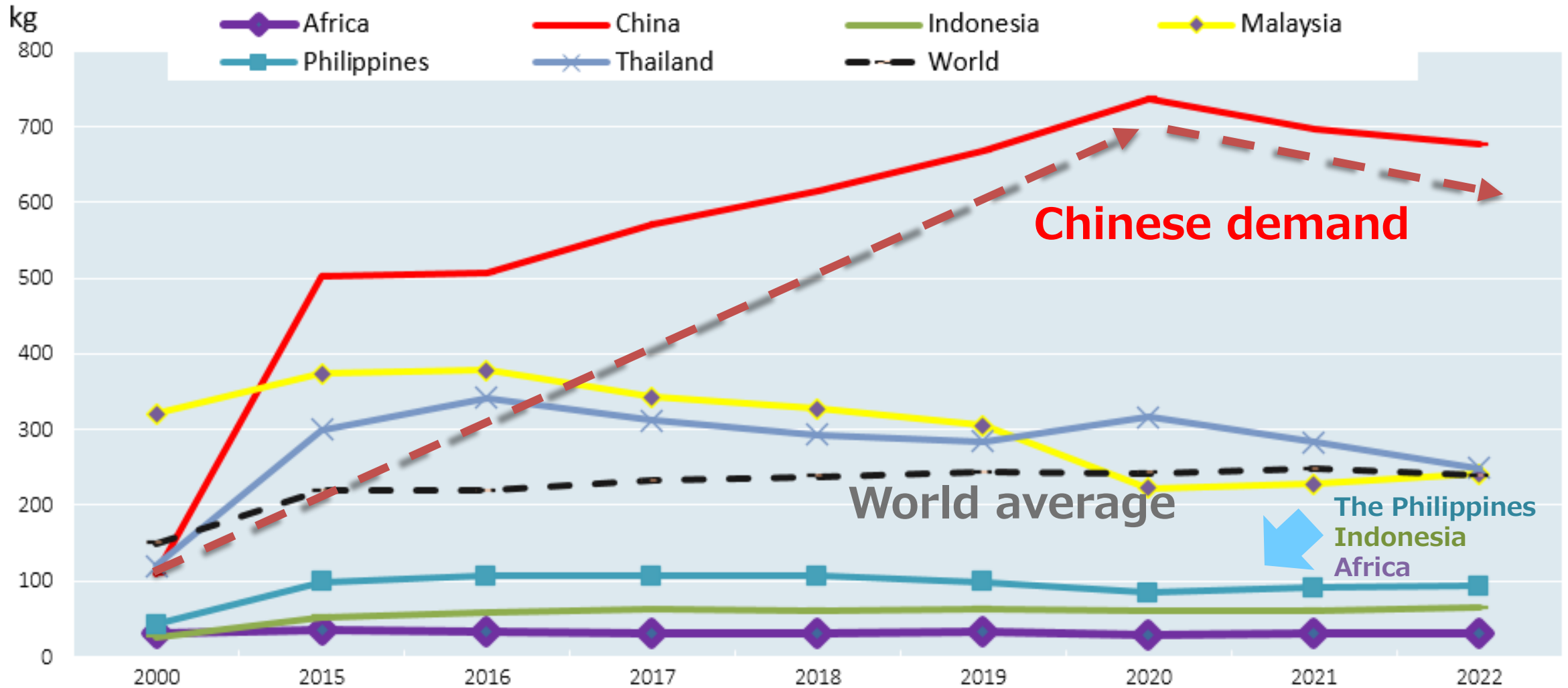


ASEAN receives the largest share of Chinese investment, accounting for 82%





China's steel demand peaks and investment shifts to potential economies





Summary

- Global steelmaking capacity remains at a high level given the demand for steel and the lower profitability.
- The problem of overcapacity is expected to be even more acute in the future.
- Chinese companies are investing overseas, particularly in ASEAN, while the outlook for Chinese demand remains weak.
- Strategic planning for the future of steel demand, alignment with climate change objectives and the impact of trade are essential to ensure market stability.



Thank you for your attention