

Annex 4: On the global overcapacity

According to the OECD, in 2020 global capacity rose only by 1,7%, while till 2023 it is likely to rise by only 0,7%-1,8%. As for CIS countries, these rates are even lower: 0,3% of growth in 2020 and 0-2,2% of growth prospect in 2020-2023.¹

ANNEX 1 - OECD Steel

file:///C:/Users/Ryndin/AN/AppData/Local/Temp/7z0847A3FA2/ANNEX%201%20-%20OECD%20Steel%20Committee's%20Interim%20Report,%20Latest%20developments%20in%20steelmaking%20capacity,%201%20September%202020.pdf

Table 1. Current nominal capacity and potential gross capacity additions by region

	Existing nominal capacity(mmt)	Expected nominal capacity(mmt)	% change expected	Potential gross capacity additions in 2021-23(mmt)		Capacity in 2023 (mmt)		% change expected (2020e vs 2023)		Potential gross capacity additions with uncertain completion date
	2019	2020e (A)	2020-2019	Underway (B)	Planned (C)	Low (A)+(B)	High (A)+(B)+(C)	Low	High	2020 and beyond
Africa	44.6	46.3	3.8%	1.0	0.0	47.3	47.3	2.2%	2.2%	1.2
Asia	1 618.1	1 634.5	1.0%	4.2	16.7	1 638.7	1 655.4	0.3%	1.3%	99.1
CIS	142.2	142.5	0.3%	0.0	3.2	142.5	145.7	0.0%	2.2%	0.0
Europe	292.4	295.9	1.2%	0.2	0.0	296.1	296.1	0.1%	0.1%	1.0
EU	216.5	216.5	0.0%	0.2	0.0	216.7	216.7	0.1%	0.1%	1.0
Other Europe	75.9	79.4	4.6%	0.0	0.0	79.4	79.4	0.0%	0.0%	0.0
Latin America	79.1	79.7	0.8%	0.2	0.0	79.9	79.9	0.2%	0.2%	0.0
Middle East	78.0	94.0	20.5%	8.9	4.4	102.9	107.3	9.5%	14.1%	0.6
NAFTA	153.3	156.5	2.1%	2.7	2.4	159.2	161.6	1.7%	3.2%	0.9
Oceania	6.4	6.4	0.0%	0.0	0.0	6.4	6.4	0.0%	0.0%	0.0
OECD/EU economies Total	660.2	667.0	1.0%	2.9	2.4	669.9	672.3	0.4%	0.8%	1.9
Non OECD/EU economies Total	1 753.8	1 788.8	2.0%	14.3	24.2	1 803.1	1 827.3	0.8%	2.2%	100.9
World Total	2 414.0	2 455.8	1.7%	17.3	26.6	2 473.0	2 499.6	0.7%	1.8%	102.7

Note: Capacity data reflects all information on changes up to December 2019. In the table, "Europe" includes both OECD/EU economies and non OECD/EU economies in Europe, as well as Turkey. From this report, the United Kingdom is included under aggregates calculated for Other Europe and not the European Union. Please see Annex C for the detailed capacity data by economy.

Source: OECD

2.2.2. Gross capacity additions expected in 2021-2023

6 Information on announced investment projects suggests that, globally, 17.3 mmt of

In some years the global production capacity recently decreased (see the extract from the Annex on 2015-2019 global capacity statistics below), namely in 2016 and in 2018.

mln of tonnes

2015	2016	2017	2018	2019
2 376,9	2 368,3	2 351,6	2 328,4	2 362,5

This data shows that situation with global steel capacity has stabilized and that it currently grows at significantly lower level than the growth rate of the global economy.

The same information might be found in 2020 GFSEC Ministerial Report. For instance, on page 44 of this report you might see that total capacity for GFSEC countries has decreased in 2014-2019 by 1,6%.

¹ Annex 1 to the letters of Eurofer: OECD Steel Committee's Interim Report, Latest developments in steelmaking capacity, dated 1 September 2020.-p. 8.

Table 1. Crude steelmaking capacity in participating GFSEC member economies: 2014-2019

(1000s metric tonnes)

By GFSEC member	2014	2015	2016	2017	2018	2019	Change (volume) 2014-2019	Change (%) 2014-2019	Change (2014-2019) relative to total GFSEC capacity in 2014
European Union, of which*:	214,996	211,496	207,614	206,059	205,634	203,134	-11,862	-5.5%	-1.26%
Germany	50,881	50,881	50,081	49,921	50,041	50,041	-840	-1.7%	-0.09%
Italy	38,606	36,206	36,206	36,456	36,456	36,456	-2,150	-5.6%	-0.23%
France	22,021	22,021	21,941	21,466	21,466	18,966	-3,055	-13.9%	-0.33%
Spain	20,310	20,310	19,610	18,860	18,860	18,860	-1,450	-7.1%	-0.15%
Poland	12,260	12,260	12,260	12,560	12,710	12,710	450	3.7%	0.05%
Belgium	8,620	8,620	8,900	8,900	8,900	8,900	280	3.2%	0.03%
Austria	8,595	8,595	8,595	8,595	8,595	8,595	0	0.0%	0.00%
Netherlands	7,260	7,260	7,000	7,000	6,813	6,813	-447	-6.2%	-0.05%
Sweden	5,950	5,950	5,950	5,950	5,950	5,950	0	0.0%	0.00%
Slovak Republic	5,520	5,520	5,520	4,860	4,860	4,860	-660	-12.0%	-0.07%
Greece	4,760	4,760	4,760	4,760	4,760	4,760	0	0.0%	0.00%
Finland	4,530	4,530	4,530	4,530	4,530	4,530	0	0.0%	0.00%
Luxembourg	3,322	3,322	2,400	2,400	2,400	2,400	-922	-27.8%	-0.10%
Hungary	2,650	2,650	2,050	2,050	2,050	2,050	-600	-22.6%	-0.06%
Japan	136,268	135,631	134,447	132,411	131,055	131,205	-5,063	-3.7%	-0.54%
United States	121,345	118,720	120,170	120,170	119,730	119,480	-1,865	-1.5%	-0.20%
Russian Federation	84,755	84,755	85,755	85,855	85,395	86,897	2,142	2.5%	0.23%
Korea	79,675	80,275	80,775	80,775	80,175	78,345	-1,330	-1.7%	-0.16%
Brazil	47,410	47,960	51,450	51,450	51,450	51,450	4,040	8.5%	0.43%
Turkey	50,213	50,439	51,506	51,181	51,884	49,498	-715	-1.4%	-0.08%
Mexico	26,555	29,105	29,505	29,505	29,505	29,155	2,600	9.8%	0.28%
Canada	17,342	17,467	17,467	17,467	17,467	17,467	125	0.7%	0.01%
Indonesia	9,941	10,031	10,681	10,681	11,905	11,905	1,964	19.8%	0.21%
United Kingdom	15,097	11,197	11,202	11,202	11,202	11,202	-3,895	-25.8%	-0.42%
South Africa	10,110	9,230	9,410	9,626	9,786	9,930	-180	-1.8%	-0.03%
Argentina	6,532	6,650	6,650	7,300	7,300	7,300	768	11.8%	0.08%
Australia	5,570	5,570	5,570	5,570	5,570	5,570	0	0.0%	0.0%
Switzerland	1,370	1,370	1,370	1,370	1,370	1,370	0	0.0%	0.0%
Norway	800	800	800	800	800	800	0	0.0%	0.0%
GFSEC total	827,979	820,696	824,372	821,422	820,228	814,564	-13,415	-1.6%	-1.6%

Thus, the growth of steel capacity has not been intensive, and the level of current capacity has more or less stabilized in recent years, including the years of application of the safeguard measures.