

Statement by Secretary of Commerce Penny Pritzker and U.S. Trade Representative Michael Froman following the Launch of the Global Forum on Steel Excess Capacity

Washington, D.C. - U.S. Secretary of Commerce Penny Pritzker and U.S. Trade Representative Michael Froman issued the following statement after the launch of the Global Forum on Steel Excess Capacity in Berlin, Germany yesterday.

“We welcome the launch of the Global Forum on Steel Excess Capacity yesterday in Berlin by the G20 members and other steel producing countries, which represent 90 percent of global steel production. By establishing this forum, the United States and our trading partners have demonstrated a resolve to address the systemic issues causing the global steel crisis and creating a negative impact on steelmaking industry and workers in the United States and around the world. Building upon the commitment made by President Obama and other G20 leaders during the September 2016 summit in Hangzhou, China, we encourage the Global Forum members to move quickly to exchange information and take effective steps to deal with the root causes of excess capacity, including market distorting support measures. Working with the G20 and interested OECD members, we look forward to upcoming meetings in February to find meaningful and timely solutions that are required to restore healthy market function in the global steel sector.

“Here at home, U.S. steel producers and workers have suffered damage as a result of massive global excess capacity which has stemmed in part from trade-distortive government policies and actions. The U.S. Government remains committed to a level playing field for our steel industry and supporting nearly 140,000 steel workers throughout the United States.”

Background

A U.S. government delegation led by Assistant Secretary of Commerce for Enforcement and Compliance Paul Piquado, and including representatives from the U.S. Trade Representative and the Department of State, met yesterday in Berlin with Group of 20 (G20) members, OECD members and the OECD Secretariat representing the over 30 steel producing countries, established the Global Forum on Steel Excess Capacity by the agreeing on terms of reference, and selecting Germany, as Chair and China and the United States as Co-chairs of the Forum for 2017. The Global Forum on Steel Excess Capacity brings together more than thirty countries including G20 and Organization of Economic Cooperation and Development (OECD) members, facilitated by the OECD Secretariat to develop solutions that support market-driven principles in efforts to decrease excess steel capacity in the global steel market. The Global Forum will report annually to the G20 ministers.

The U.S. steel industry is in a crisis driven in large part by global excess capacity. This global excess capacity has more than doubled from 2000 to 2014, and continues to expand. The impact of the current crisis on U.S. industry includes price declines, steel plant closures, and over 15,000 jobs lost. Throughout the Obama Administration, the United States has undertaken a series of initiatives, including enhanced bilateral and multilateral engagement, to address the excess capacity challenge facing steel and other industries. The Administration’s international engagement on the issue of excess capacity has included working with the G7, Mexico and Canada, the OECD, and most recently in discussions during the September G20 Leaders’ Summit in Hangzhou, China between President Obama and Chinese President Xi Jinping and other leaders of world’s 20 largest economies, highlighting its commitment to the U.S. steel industry and its workers as an anchor of the economic engine of the United States. In addition to these efforts, the U.S. government continues to take robust enforcement actions to level the playing field for U.S. firms and workers when our industries are faced with unfair trade practices by foreign governments and industries that include enforcing more than 140 antidumping and countervailing duty orders covering steel products and litigating a record number of WTO dispute settlement proceedings.