GLOBAL STEEL DYNAMICS FORUM

2025 Global Steel Dynamics Forum: Tariffs, Trade and Trepidation

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By Sam Kusic

Going by the discussion at the 2025 Global Steel Dynamics Forum, the steel industry's focus has shifted from decarbonization to other structural challenges — oversupply, stagnant demand, rising protectionism and the impact of geopolitical shifts.

Steel can be made cleanly. It also can be made profitably. However, making steel both cleanly and profitably is a challenge. And in recent years, so, too, has been avoiding conversations on how to best go about it.

Decarbonization, after all, has been the ubiquitous topic among those in the industry. But as steelmakers reckon with the scope of the work ahead, the scale of needed capital investments, political uncertainty and market dynamics, the conversation undoubtedly has changed, judging by the 2025 Global Steel Dynamics Forum.

The talk during the strategy-oriented, C-suite conference was not of green steel, but of trade and tariffs. And moreover, of survival — especially in the face of rising

Edwin Basson, *World Steel Association*

overseas exports, gross global overcapacity and the resulting policy solutions.

As World Steel Association director general Edwin Basson observed during the two-day conference: "As the world moves away from globalization into regional camps — if you want to call it that — we are seeing a much more volatile political environment, which makes the process of business decision-making a lot more unsure, and therefore delays in many of these decisions."

This was the third year for the Global Steel Dynamics Forum, held 17–18 June 2025 in New York City. More than 450 industry leaders attended. Over two days of panel

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> Lourenco Goncalves
> *Cleveland-Cliffs Inc.*

discussions, presentations and sideline conversations, they assessed the industry's current situation.

And for at least some of those attendees, the cure for what is ailing the industry is apparent.

"We need tariffs," Cleveland-Cliffs chief executive officer Lourenco Goncalves told attendees.

"We need tariffs because we have a few enemies, and we have a lot of friends who believe that they have the right to sell in our market. It's not a right; it's a privilege. And the privilege has been abused right and left — and north and south, mainly south through Mexico."

"We know the enemies, but the friends are relentless," he added, saying that although President Donald Trump's original 25% steel tariff was meant to stop unfairly traded imports, it wasn't enough.

"And that's why the 50% tariffs came. Now people are understanding the logic behind the tariffs. The logic behind the tariffs is very simple: We need to have manufacturing in the United States," he said.

Ron Ashburn, *Association for Iron & Steel Technology*

(L–R): Lourenco Goncalves, *Cleveland-Cliffs Inc.,* and Philipp Englin, *World Steel Dynamics*

To that point, Mark Millett, co-founder and chief executive officer of Steel Dynamics, said that the Chinese steel industry continues to find ways to put heavily subsidized steel into the U.S. market.

As an example, he pointed to structural products.

"The Chinese, they take a beam to Mexico, they drill a couple of holes in it, they put on an end plate, and then it comes into this country, bypassing all of the trade [measures]. Last year, there was 2.5 million tons [of this type of product imported to the U.S. which is] around 25% of the heavy structure market. That's a big, big impact," he said.

"We cannot rely on one country dominating manufacturing all over the world."

Máximo Vedoya
Ternium

Transshipping is a problem, but one that the U.S. isn't going to solve unilaterally, argued Máximo Vedoya, chief executive officer of Ternium. Vedoya said that to effectively combat global overcapacity and unfair trade practices, like-minded countries ought to work together.

And Mexico and Canada, he said, have a shared desire to promote manufacturing within their borders.

"The key to combat this is not by standing alone," Vedoya said, adding that the U.S. and Mexican economies already are well-integrated through the USMCA trade agreement.

> **"The U.S. economy of the 2030s is a tech-driven, AI economy."**
>
> Shannon K. O'Neil
> *Council on Foreign Relations*

But even more can be accomplished together, and regionalization is necessary, if Mexico and the U.S. are to advance domestic manufacturing.

"We cannot rely on one country dominating manufacturing all over the world."

Tariffs, Reconsidered

Another speaker, Shannon K. O'Neil, senior vice president and director of studies at the Council on Foreign Relations, agreed that a strengthened USMCA is paramount. Without it, she said, North America risks becoming less innovative, less prosperous and more isolated.

As it is, she said, the USMCA has allowed for the creation of cross-border supply chains across a variety of industries — steel being one, but also medical devices, aerospace, machinery, electronics and food products.

"And that really allowed three economies to be competitive, to provide high-quality, affordable products not only to themselves, but also to the global marketplace. And so I think if we lose the USMCA, U.S. businesses lose, and we lose that access to those markets. We lose the differentials in labor costs and productivity and specialization that allows U.S. suppliers to sell elsewhere."

(L–R): Shannon K. O'Neil, *Council on Foreign Relations;* John Lichtenstein, *World Steel Dynamics;* and Philipp Englin, *World Steel Dynamics*

Rampant Overcapacity

However, for an industry besieged by overcapacity and other market-distorting practices, it is a difficult argument to accept.

Anthony De Carvalho, head of the Organisation for Economic Co-operation and Development (OECD)'s steel unit, pointed out that his organization is forecasting excess capacity to reach 721 million metric tons by 2027.

"It's a massive amount," he said, adding that it is forcing the closure of steel plants in market-oriented economies.

"These are efficient and productive plants that are shutting down. We're seeing massive layoffs, especially in Europe."

To be more precise, he said an OECD study showed the loss of 113,000 steel sector jobs over the past several years as a result of excess capacity.

But the problem isn't only excess capacity; it's state support for that capacity in the form of tax breaks, direct lending and other market-distorting practices.

"Subsidies granted by China to its steel industry are up to ten times higher than those provided by OECD members and five times greater than those of non-OECD countries," he said.

Although Chinese steelmakers are clearly benefiting from state support, steel industries in other countries are, too. Market-distorting subsidies are becoming more prevalent in Southeast Asia, the Middle East and North Africa. Moreover, steel, in general, is the world's fifth-most subsidized sector, behind solar cells and modules, semiconductors, aluminum and shipbuilding, based on OECD calculations, he said.

"This is a pervasive problem. And it's not just a China problem."

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> Anthony De Carvalho
> *OECD*

De Carvalho said that between subsidies and overcapacity, the survival of small and medium-sized steelmakers worldwide is under direct threat.

That's even more so in the European Union, where the unintended consequences of environmental policy are placing added pressure on even the largest and most efficient producers.

According to Mario Arvedi Caldonazzo, chief executive officer of Italy's Arvedi Group, producers are in an impossible situation — the EU's carbon credit market and its push for decarbonization are necessitating billion-euro investment decisions, but low-cost imports and other factors imperil the investments before they're even made.

"The situation is very complicated, but we are at a crucial point," he said. "There is great uncertainty. Few companies have really decided to start the transformation. Most of them are still waiting for the move to make," Caldonazzo said.

Steel producers that don't decarbonize will be obliged to pay the cost of its carbon emissions under the EU's carbon trading system. Although multiple decarbonization strategies are being pursued worldwide, the EU has incentivized one — hydrogen-based DRI paired with an electric arc furnace.

Generally speaking, Caldonazzo said, it costs EUR1 billion to convert 1 million metric tons of production to that route. And there is a business penalty to be paid because that 1 million tons is produced at a much higher cost, he said.

Meanwhile lower-cost imports are rising, accounting for 25–30% of the market.

Therefore, Caldonazzo said, EU producers are demanding that the European Commission step in with a package of solutions that include a tariff rate quota system to deter imports, a proper carbon border adjustment mechanism and access to affordable renewable energy.

He also said he wishes for more cooperation between the U.S. and EU on a Global Arrangement on Sustainable

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> Mario Arvedi Caldonazzo, *Arvedi Group*


Timothy Van Audenaerde, *Accenture*

Steel and Aluminum. The arrangement is envisioned to be a green steel club between the U.S. and EU, allowing free trade of green steel.

"We can create a much bigger market which can be valuable for both parties."

India Rises

Among the Asian nations rapidly adding capacity is India, the world's second largest producer. The country's goal is to reach 300 million metric tons of capacity by 2030, a goal that Prime Minister Narendra Modi says is achievable.

However, Tata Steel chief executive officer and managing director T V Narendran said he believes capacity growth will be more constrained, especially compared to China.

"I think the difference between India and China would be that India will not be able to build capacity as fast as China."

"We will never be able to add the 30 or 40 or 50 million tons a year that China did," he added. In India, he said,

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>
> T V Narendran
> *Tata Steel*

a more probable growth rate is 10 million metric tons added per year.

He said he expects 250 million metric tons by the end of this decade.

"We are a very noisy democracy," he said. "Building a steel plant and acquiring 3,000 acres of land takes some time." Even then, he said, capacity will follow demand, with production intended for domestic markets.

Alternative Opportunities

To reduce risk and increase growth opportunities, steel producers are investing in businesses outside of their traditional operations, something that was highlighted throughout the conference.

Take, for instance, Steel Dynamics' Aluminum Dynamics business. Announced in 2022, the operation is now moving from construction to production.

Millett told attendees that the venture had reached a new milestone in the days just before the conference

Philipp Englin, *World Steel Dynamics*

> "Aluminum for us is going to be a major growth platform going forward."
>
> Mark Millett
> *Steel Dynamics Inc.*


Philipp Carlsson-Szlezak, *Boston Consulting Group*

began, rolling its first hot coils at its primary facility in Columbus, Miss., USA. The facility is designed to annually produce 650,000 tons of flat-rolled sheet for the beverage can, industrial and automotive sectors. Three of four melt-cast units are also now running, Millett added.

A US$2.5 billion investment, the business is intended to take market share from imports, and bring the mini-mill concept to aluminum making.

Millett said Aluminum Dynamics is not only an opportunity for the company as a whole, but for its young engineers, who now have a chance to disrupt the aluminum business much as Millett and his Steel Dynamics peers did 30 years ago in the steel industry.

"Aluminum for us is going to be a major growth platform going forward," Millett said.

Meanwhile, on the other side of the world, South Korean steel giant POSCO is laying a major investment in rechargeable battery materials, announcing a US$670 million investment earlier this year.

POSCO Holdings Chairman Chang In-hwa told attendees that although steelmaking will remain the company's core focus, as will efforts to improve that business, fragmentation of the global economy and fierce steel competition are driving it to seek additional opportunities.

"We want to continue to be the main industrial materials supplier to South Korean business and therefore help to catalyze national development," he said. But, he said, "there are limits to how much we can enhance our

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(L–R): Lee Morgan, *The Systems Group;* Rolando Paolone, *Danieli & C. S.p.A.;* Ron Ashburn, *Association for Iron & Steel Technology*

competitiveness (in steel) and the speed at which we (can do so)."

In the next five years, the goal will be to grow its non-steel materials business to 20% of revenue. Longer term, he said, the goal is to grow that business to 50% of revenue.

In Europe, SSAB is finding traction in nontraditional steel business: additive manufacturing.

The aerospace, medical, automotive and energy sectors are among those that are adopting the technology and making use of printed components. SSAB is trying to support that demand by developing and producing metal powders used in the process.

"Right now, there's a big demand from segments that I didn't expect. It has been growing quite a lot," SSAB's chief executive Johnny Sjöström said.

"There are two ways to compete in the steel industry … Either you become a cost leader … or you become differentiated."

Johnny Sjöström
SSAB

Sjöström said the efforts around the additive manufacturing powders business is in keeping with its strategy to differentiate itself.

"There are two ways to compete in the steel industry, or any industry for that matter. Either you become a cost leader — and that's very common — or you become differentiated. Those are the two options you have," he said.

"But to be a cost leader in a world where you have massive overcapacity of 600 million tons is really difficult, especially when you have countries subsidizing their local steel plants."

Another way the company is differentiating itself is through its multibillion-euro conversion to a producer of premium, low-CO_2 products.

The company plans to move from blast furnace production to EAF production

(L–R): Philipp Englin, *World Steel Dynamics;* John Lichtenstein, *World Steel Dynamics;* Mariana Modesto; *Vallourec;* T V Narendaran, *Tata Steel;* Astrid Korf-Wolman, *Willy Korf Foundation;* Max Wolman, *Willy Korf Foundation;* and Ron Ashburn, *Association for Iron & Steel Technology*

"The 'captain' is taking care of the route and considering alternatives if necessary."

Rolando Paolone
Danieli & C. S.p.A.

and is building a 2.5-million-metric-ton mini-mill in Luleå, Sweden. The mill will be equipped with electric arc furnaces, advanced ladle metallurgy and an integrated rolling mill. The investment also includes a cold rolling complex, advanced galvanizing, as well as continuous annealing.

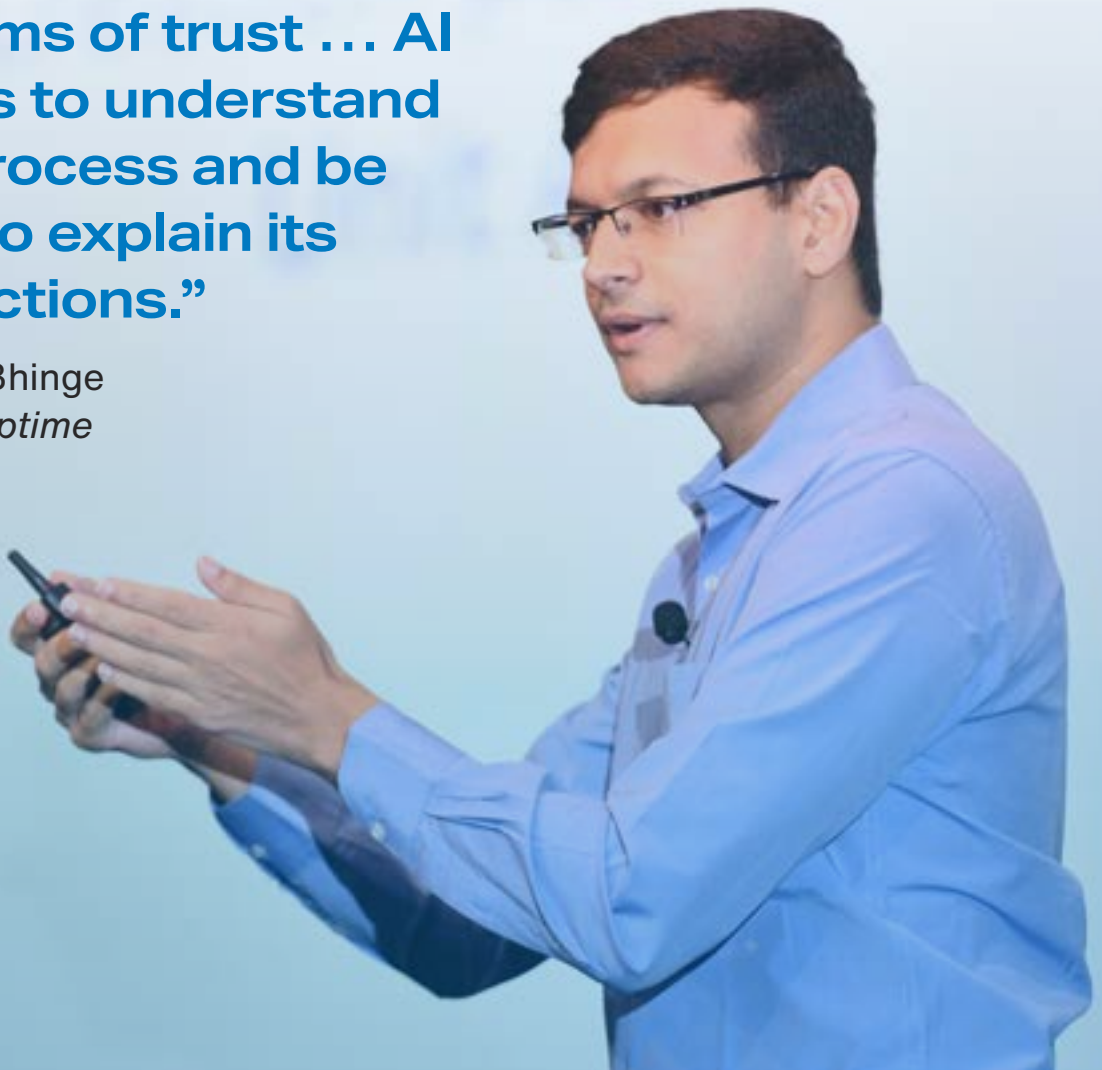
Here Come the Bots

As some producers invest in physical assets, others are enhancing their operations through the use of artificial intelligence — something that major OEMs are diligently incorporating into their product portfolios.

Danieli, for instance, is developing and refining systems that would operate much like an airplane autopilot.

"Then the 'captain' is taking care of the route and considering alternatives if necessary, and so on. This is what we want to do — have the operator, the human, think about new rules and better routes, while the copilot — the system, the computer — repeats the same activity, the same process, the same steps," said Rolando Paolone, Danieli's chief executive officer and chief technology officer.

> **"In terms of trust … AI needs to understand the process and be able to explain its predictions."**
>
> Raunak Bhinge
> *Infinite Uptime*



(L–R): Martin Theuringer, *German Steel Federation;* Ezequiel Tavernelli, *Alacero;* Kazuo Mike Fujisawa, *Japan Iron & Steel Federation;* Alok Sahay, *Indian Steel Association;* Edwin Basson, *World Steel Association;* and Kevin Dempsey, *American Iron and Steel Institute*

“U. S. Steel will remain rooted in the United States and continue to call Pittsburgh home.”

David Burritt
United States Steel Corporation

(L–R): Joseph Dzierzawski, *Primetals Technologies USA LLC;* Stephen Montague, *Midrex;* and Ron Ashburn, *Association for Iron & Steel Technology*

AI has, however, proven to be a tough sell in the steel industry, according to Raunak Bhinge, chief executive officer of Infinite Uptime, a developer of predictive maintenance services and plant reliability solutions.

The problem, he said, is that plant engineers often don't trust AI — not because it's inaccurate, but because AI systems often lack the ability to explain how they arrived at a given conclusion.

"Frequently, people conflate trust with accuracy. They say, 'Well, if it's more accurate, I'll trust it more.' But that is not the case. Ultimately, humans are not accurate 100% of the time either. So the main point I'd like to make, in terms of trust, is that AI needs to understand the process and be able to explain its predictions."

He also noted that many AI systems do not fit well within the context of an industrial setting.

"A lot of AI systems and models are built for the requirements of the tech sector. The requirements of the tech sector are very different — the cost of a bad prediction for ChatGPT is almost zero. In the steel sector, this is not the case. A bad prediction can be very, very costly."

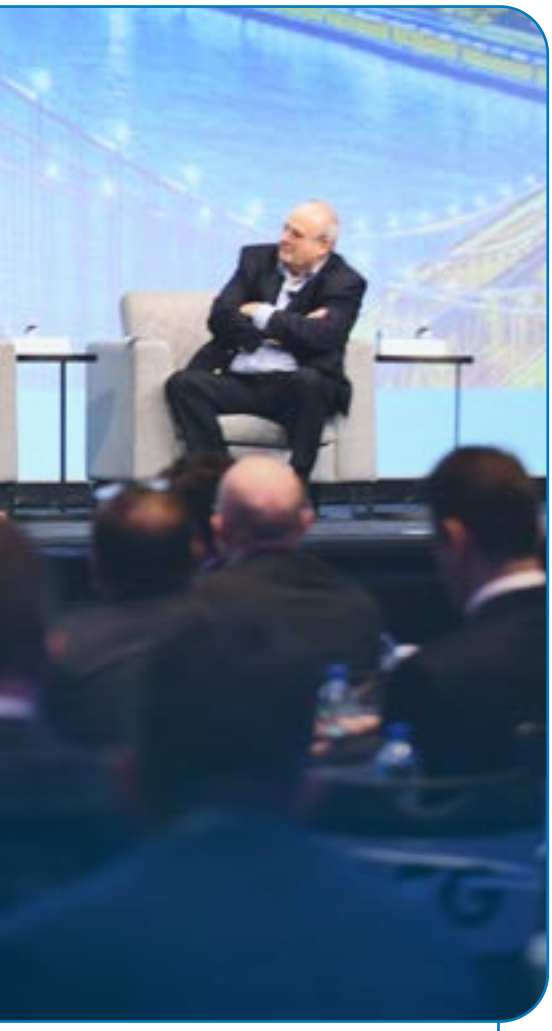
A New Day

The conference concluded with a speech from United States Steel Corporation president and chief executive

(L–R): Anthony De Carvalho, *OECD;* Alan Price, *Wiley Rein;* Kate Kalutkiewicz, *McLarty Associates;* and John Lichtenstein, *World Steel Dynamics*

(L–R): Andrew De Simone, *Vale and Vale USA LLC;* Al C. Behr, *Nucor Corp.;* Ernie Thrasher, *XCoal Energy;* Martin Dionne, *Hatch;* and John Lichtenstein, *World Steel Dynamics*

(L–R): John Ganem, *Kloeckner Metals Corp.;* John Hollatz, *Nucor Corp.;* Todd Leebow, *Majestic Steel;* Janice Lee, *Boston Consulting Group;* and Philip Bell, *Steel Manufacturers Association*



officer David Burritt, who, earlier in the day, finalized his company's blockbuster sale to Nippon Steel Corp.

Nearly two years in the making, the acquisition, by happenstance, closed on the final day of the conference, and Burritt shared impassioned remarks on the deal.

He said the partnership between Nippon Steel and U. S. Steel will protect and create more than 100,000 jobs through investments in steelmaking in the U.S., including in Pennsylvania, Indiana, Arkansas, Minnesota and Alabama. It will also ensure U. S. Steel retains its name and headquarters in Pittsburgh, Pa., and that its steel will continue to be mined, melted and made in America.

"This is a momentous day for our country, our communities, and the American steel industry. Thanks to President Trump's bold leadership, American workers secured the best possible deal. U. S. Steel will remain rooted in the United States and continue to call Pittsburgh home," Burritt said.

"Nippon Steel is not just another investor. They are one of the most respected and technologically advanced steelmakers in the world. They bring world-class research and development. They bring best-in-class quality systems. They bring a global footprint that complements our own, expanding our reach, increasing our resilience and deepening our capabilities," he said.

"But even more important than the assets or the capabilities, they bring values that resonate the dollars. This isn't just a business match. It's a values match."

With the acquisition, Nippon Steel becomes a company with a production capacity of around 86 million metric tons, bringing it closer to its global strategic goal of 100 million metric tons per year.

"We're not just forging steel. We're forging America's future. Tomorrow will be better and bigger than today," Burritt said. ✦

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