

JOINT MINISTERIAL STATEMENT

ON

ADDRESSING STRUCTURAL EXCESS CAPACITY AND PRODUCTION

G20 Trade Ministers who met in Milwaukee, Wisconsin on September 30 and October 1, 2026 discussed structural excess capacity and production in certain manufacturing sectors. On that occasion, we, the Trade Ministers of Argentina, Australia, Canada, the European Union, France, Germany, India, Italy, Japan, the Republic of Korea, Mexico, Poland, Türkiye, the United Kingdom, and the United States, welcomed the U.S. G20 Presidency's focus on this issue as one of its key priorities, given increasing international recognition that structural excess capacity and production poses a fundamental challenge for the global economy and individual economies.

Discussion in the G20 was fitting given that grouping has played an important role in discussing and pledging action to address this serious challenge. In Shanghai in 2016, G20 Trade Ministers released a statement expressing concern about excess capacity in certain industries and its negative impacts on trade and workers. Trade Ministers decided by consensus to participate in an OECD Steel Committee meeting that led to the creation of the Global Forum on Steel Excess Capacity (GFSEC) as a cooperative platform dedicated to developing and implementing collective solutions to address structural excess capacity and production and enhance market function in the steel sector.

A few months later, at the Hangzhou Summit in 2016, G20 Leaders unanimously stated:

“We recognize that the structural problems, including excess capacity in some industries, exacerbated by a weak global economic recovery and depressed market demand, have caused a negative impact on trade and workers. We recognize that excess capacity in steel and other industries is a global issue which requires collective responses. We also recognize that subsidies and other types of support from government or government-sponsored institutions can cause market distortions and contribute to global excess capacity and therefore require attention. We commit to enhance communication and cooperation, and take effective steps to address the challenges so as to enhance market function and encourage adjustment.”

Despite those commitments, and the efforts undertaken by some G20 members, structural excess capacity and production has worsened since 2016, harming an array of domestic industries and their supply chains.

During the course of the U.S. G20 presidency, members discussed instances of structural excess capacity and production in economies that persistently exceeded global demand; would not have existed under market conditions, and were created, sustained, or contributed to by government policies or interventions. In particular, structural excess capacity and production leads to overproduction and overconcentration of production; deters market-based investment, production, and capacity building; and undermines market-based exports. We acknowledge that structural excess capacity and production in any country poses significant challenges for all of its

trading partners as it distorts prices and production patterns, deters new entrants, and stymies innovation and competition. Moreover, such structural excess capacity and production in a country can deepen trading partner dependence on that country's products, thereby increasing trading partner vulnerability to economic coercion, including arbitrary export restrictions. We are united in our concern with these distortions and other adverse impacts.

During the course of our discussions this year, members expressed concerns about existing or future projected structural excess capacity and production in many sectors, including but not limited to: (i) Autos and Electric Vehicles (EVs); (ii) Batteries; (iii) Chemicals, (iv) Foundational Semiconductors, and (v) Solar Panels. We are concerned that, absent timely and effective actions, structural excess capacity and production in these sectors will cripple our domestic industries, displace local production, destroy jobs, undermine our economies, hinder efforts to develop and industrialize, and ultimately lower the standard of living for our people.

We call on all countries to take steps to eliminate structural excess capacity and production in their economies, including by ending the use of non-market policies and practices that distort markets and contribute to the problem. We note that in the absence of such steps, an increasing number of countries are taking action to defend their industries, workers, and economies from distortions resulting from such policies and practices. At the same time, we recognize that such individual efforts will be more effective if concerned countries cooperate, share information, and take complementary action, wherever possible.

To that end, we are resolved to work together in new, dedicated sectoral platforms to further examine and take effective actions that address structural excess capacity and production in key sectors of concern, starting with Autos and EVs, Batteries, Chemicals, Foundational Semiconductors, and Solar Panels.

Our senior officials are meeting today on the margins of the OECD Trade Committee to begin our work. We invite other countries within and beyond the OECD membership to join us. We are committed to meeting before December 2026, at the technical level, to develop terms of reference; share non-confidential information and data on structural excess capacity and production, its impact on these sectors, and efforts to mitigate the damage; and identify information gaps, drawing upon work of the OECD and other sources as appropriate. We commit to exploring effective and, whenever possible, complementary actions to defend our economies from the negative impact on trade and workers created by structural excess capacity and production. Working together, we aim to create the conditions necessary so that market-oriented competition in affected sectors can thrive once again.