

Unfair trade threatens jobs and industry in Latin America

Alacero warns of a global scenario distorted by a complex network of subsidies sustaining the production and export of steel and related products from China.

São Paulo, August 14, 2025 – The Latin American Steel Association (Alacero) has sounded the alarm over the critical situation faced by the region's industry, which is being affected by distortions in global trade caused by overproduction and a complex system of subsidies for steel and industrial products in China. This situation is impacting jobs, production, and competitiveness in Latin America.

While crude steel production in Latin America fell by **13% between 2021 and 2024**, the share of imported rolled steel in the region's total consumption reached record levels, standing at **40.3% in the first half of 2025**.

Chinese exports of finished and semi-finished steel to the region have grown by **233%** in the past 15 years, while exports of indirect steel (contained in finished products such as refrigerators, automobiles, or machinery) have surged by **338%** between 2008 and 2024.

In China, producing steel and finished products in its value chain is not a decision based on supply and demand, but rather on the premise of generating jobs and domestic development. For this reason, the country promotes a series of interconnected subsidies that allow it to sell to the world below the real costs of production, often without actual demand — ranging from land use and initial infrastructure, subsidized loans and investments, to tax exemptions, low-cost energy, and regulations that limit foreign competition. Subsidies in China are **ten times** higher than in OECD countries.

What is at stake is not just one industry, but the entire industrial future of Latin America. The steel value chain generates 1.4 million jobs in the region — high-value jobs that foster upward social mobility and sustainable economic development. However, the region is undergoing a worrying process of deindustrialization: the regional industrial GDP has declined by 4% since the 1990s, and Latin America has lost 5.3 percentage points in the share of manufactured products within its total exports, dropping from 52.8% (2000–2009) to 47.2% (2020–2023).

Some countries protect themselves with trade measures that are often slow or ineffective. As a result, they end up absorbing exports that were originally destined for countries that applied more effective defense mechanisms.

“Governments must act more quickly and decisively, implementing trade defense measures that level the playing field and protect our industries from unfair practices,” said Ezequiel Tavernelli, Alacero's Executive Director. He stressed: *“The time to promote Latin America's industry is now. We need a comprehensive strategy with countries and regions that share our*

same market rules, to continue generating opportunities across our continent. This is not about closing markets, but about ensuring fair competition. Latin America has the talent, resources, and capabilities to develop a sustainable and competitive industry,” he concluded.

To view the infographic developed by Alacero summarizing the issue, [click here](#) for the full version and [here](#) for the summarized version.

About Alacero

The Latin American Steel Association is a non-profit civil organization that brings together the steel value chain in Latin America, aiming to promote quality industrial jobs, regional integration, technological innovation, environmental stewardship, excellence in human resources, workplace safety, comprehensive community development, and corporate responsibility. Founded in 1959, it is made up of more than 50 producing and related companies. The steel industry in Latin America generates 1.4 million direct and indirect jobs and produces 56.2 million tons of crude steel annually. Alacero is recognized as a Special Consulting Organization by the United Nations and represents Latin American steel before international bodies such as worldsteel, OECD, International Energy Agency (IEA), UN (UNCTAD), and IDB, conveying the ideas and positions of its members.

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