IRON ORE

Major miners and their lobbyists have asked Canberra for help in pushing back against China's efforts to extract better terms for their iron ore, including raising the prospect of a single selling desk for Australia's most valuable commodity export, senior government officials said on Friday. China's state iron ore buyer, China Mineral Resources Group (CMRG), has been using increasingly hardball tactics against mining giants to win better deals for the country's steel mills, to tighten its grip on the $132 billion seaborne market. The push by miners comes after CMRG blacklisted some of BHP's iron ore for seven months, during protracted contract talks. CMRG has also told some steelmakers not to engage in discussions with Fortescue about a new iron ore product. Australia is the biggest supplier of iron ore to China, accounting for more than 50% of its imports. Canberra watches that market closely as China is the country's biggest trading partner and iron ore the most lucrative commodity export, expected to reap A$114 billion ($81 billion) in the current financial year, according to government estimates. A Senate panel on Friday asked Department of Foreign Affairs and Trade officials whether they had received a request from BHP, Fortescue, Rio Tinto, Hancock, or the Minerals Council for government intervention or support in relation to CMRG and iron ore pricing. (Mining.com)

STEEL

Canada will extend steel tariff-rate quotas and tariff relief on certain US steel and aluminum imports by one year, Finance Minister François-Philippe Champagne said, citing the need to shield workers from global excess capacity and give industry longer-term certainty. The extensions, subject to cabinet approval, would run to June 27 and June 30, 2027, respectively, with imports exceeding quota limits still facing a 50% tariff, the government said in a statement. (Mining.com)

The global steel industry is facing a growing crisis as subsidised production and excess capacity continue to distort markets, according to the OECD. It says state-backed steel production, particularly in China, is increasing pressure on producers in Europe and other OECD economies. Global steelmaking capacity continues to expand despite weak demand, threatening to push prices lower and distort competition. steel is a critical material for a wide range of industries, from construction and manufacturing to electric vehicles and data centres.

The OECD says government subsidies are a major driver of global overcapacity, with much of the increase in steelmaking capacity over the past two decades taking place outside OECD countries, often with state support. In 2024, the median Chinese steel firm received subsidies equivalent to 15 times those received by producers elsewhere, relative to total assets, according to the OECD. At the same time, Chinese steelmakers exported a record 131 million tonnes of steel in 2025, a 153% increase from 2020 and more than the European Union's total steel production that year. The warning comes as the OECD expects global steel overcapacity to rise from 640 million tonnes in 2025 to 745 million tonnes by 2028, as steelmaking capacity continues to grow far faster than demand. While global steel demand is expected to increase by just 34 million tonnes between 2026 and 2028, producers are planning to add up to 139 million tonnes of new capacity over the same period. China is expected to play a major role in that expansion, with plans to add up to 38.6 million tonnes of steelmaking capacity by 2028 – the largest increase planned by any country. If those projects go ahead, the OECD says global excess capacity would exceed the current annual steel production of all OECD countries by almost 320 million tonnes, underlining the scale of the imbalance facing the industry. (OECD)

Oil Macro

Japan's government is making long-term plans for replacing up to a dozen nuclear reactors by 2050, to secure its electricity supply, with two to five of these to be rebuilt by the 2040s, the country's economy ministry said today. This is the latest step in a policy reversal for Tokyo, which, following the 2011 Fukushima disaster, closed all of its nuclear reactors and tried to switch to other forms of electricity generation. The Strait of Hormuz crisis, as well as LNG price volatility, has recently prompted a reconsideration of the nuclear-divorce policy, with growing pro-nuclear sentiment in Japanese political circles.

The latest idea was laid out in a proposal by the ministry, seeing as many as 11 to 14 nuclear reactors in operation by 2050, Reuters reported, citing the institution. If all 14 are built, this would add 16 GW to Japan's generation capacity. The publication noted that currently, Japan generates between 60% and 70% of its electricity from hydrocarbons, including coal, oil, and natural gas, which it imports due to lack of its own resources. (Oilpro)

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