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» BIR: Global stainless steel production expected to exceed 70 million mt in 2027 despite overcapacity concerns

Global stainless steel production is expected to exceed 70 million mt in 2027, supported by continued demand growth, although increasing production capacity, geopolitical uncertainty and trade restrictions are creating challenges for the industry, according to the Bureau of International Recycling (BIR).

Speaking at the Stainless Steel & Special Alloys Committee session during BIR's World Convention in Malaga, Spain, on October 26, Gerhard Pariser, vice president of business development at Steel & Metals Market Research, stated that the global stainless steel market is growing by approximately five percent annually, outpacing other industrial metals such as copper and aluminum. According to Pariser, global stainless steel demand is expected to increase by 3.8 percent in 2026 and 4.4 percent in 2027, supported by consumer goods, infrastructure, energy and industrial applications.

Asian production dominance and capacity expansions raise concerns

Pariser highlighted the significant shift in global stainless steel production toward Asia over the past 25 years. While China and Indonesia accounted for just three percent of global production in 2000, their combined share, including Chinese-controlled facilities in Indonesia, has reached 72 percent in 2026. Over the same period, Europe's share declined from 40 percent to nine percent.

Planned capacity expansions in China, Indonesia and India could add approximately 15 million mt of stainless steel capacity by 2031, compared with less than 10 million mt of additional demand in these markets. Pariser warned that capacity growth exceeding local consumption would increase pressure on producers to find alternative export markets. He also identified geopolitical tensions, protectionist trade policies and differences in regional production costs and regulations as major challenges for the industry.

Access to recycled stainless steel remains critical

According to Pariser, the use of recycled materials in 300-series stainless steel production has been increasing by approximately three percent annually. However, the share of recycled content in production has been declining in China and Indonesia, as well as globally, with the worldwide average currently standing at approximately 30 percent. He emphasized that maintaining international trade in recycled materials is essential to ensuring that stainless steel producers can access the raw materials required for production.

India remains the largest importer of recycled stainless steel materials, primarily sourcing them from the US, EU and South Korea. Meanwhile, the EU has shifted from being a net exporter to requiring imports to meet domestic production needs. Pariser expressed concerns about the EU's updated Waste Shipment Regulation, particularly restrictions on exports of recovered materials to non-OECD countries, warning that trade restrictions could negatively affect European stainless steel producers that depend on imported raw materials.

Global stainless steel scrap markets remain broadly stable

Omar Al Sharif, manager at Sharif Metals Group, stated that global stainless steel and special alloy scrap markets remained relatively stable in 2026, although geopolitical uncertainty, subdued industrial demand and cautious purchasing continued to affect trading activity. According to Al Sharif, European market conditions have improved following the introduction of the EU's Carbon Border Adjustment Mechanism (CBAM) and safeguard measures. However, high energy costs and weak demand could limit the region's recovery into early 2027.

In Asia, buyers have increasingly favored domestically sourced recycled stainless steel. India's imports declined by six percent year on year in the first quarter of 2026, while China's stainless steel melting production increased by 7.1 percent in the first half of the year.

In the US, stainless steel production increased, although export demand for recycled stainless steel remained weaker than domestic demand. Meanwhile, demand in the Middle East and Africa remained relatively stable, supported by energy, infrastructure and industrial activities.

Al Sharif also noted that tungsten prices had increased by more than 300 percent against the benchmark, highlighting the growing importance of accurate identification and sorting of special alloy scrap.

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