

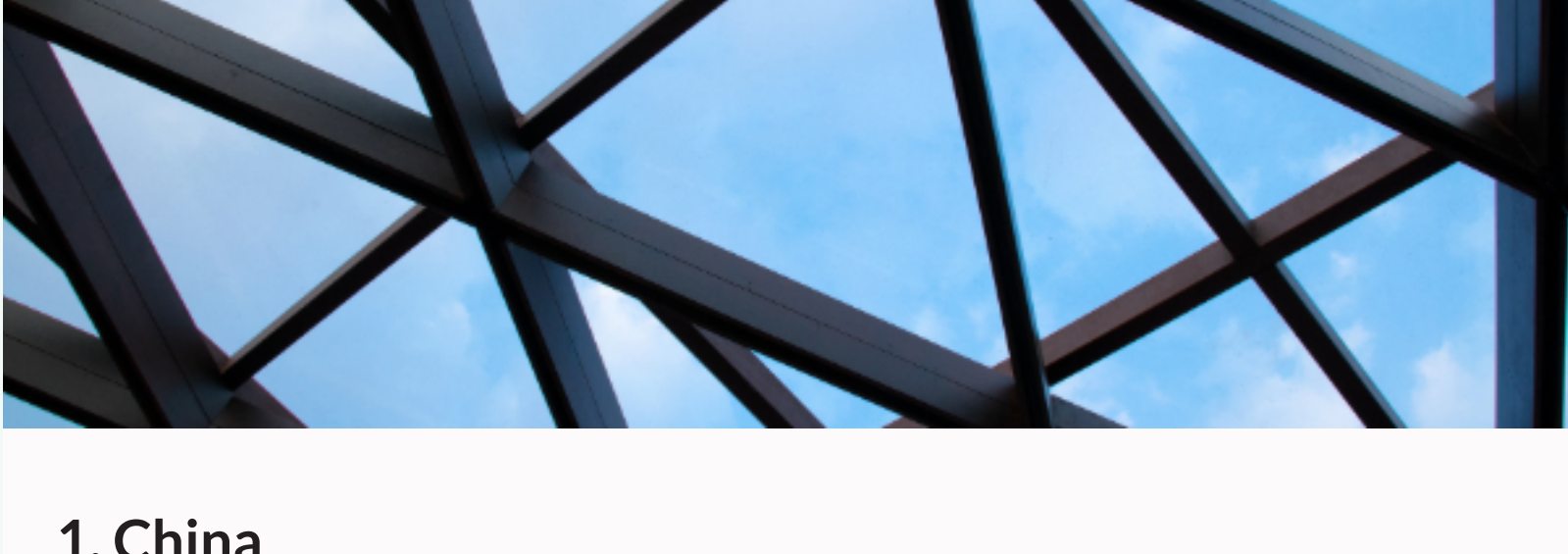
## Asian Steel Transition: Opportunities for Investors

First edition: July 2025

This inaugural newsletter on Future Asian Steel Opportunities is designed to track policy and corporate activities in steel transition and to inform you of future opportunities along the steel value chain to decarbonise the industry in Asia. The newsletter features three main sections: 1) Market Drivers, 2) Insights Into The Steel Value Chain, and 3) Technology Explainers.

## Market Drivers

*Overview of policies and guidelines that will build market readiness for low-carbon steelmaking.*



### 1. China

China has **revised its anti-unfair competition law**, with the Central Commission for Financial and Economic Affairs (CCFEA) highlighting the need to **regulate disorderly price competition across sectors, including export-oriented products such as steel**.

**Why it matters:** China's anti-internal competition policy aims to consolidate industries, including in the steel sector, where top 10 companies control 51% of production capacity. Potential mergers will focus on technological upgrades, capital optimisation, and climate transition. This top-down approach signals strong policy certainty in steel, where previous production cuts have proven effective in boosting profitability. This responds well to the observations shared during the guest presentation of Q2 2025 CA100+ Asia Engagement Working Group Call on the blast furnace glut in China and the need for reform.

### 2. India

Following India's release of the **green steel taxonomy** in December 2024, the **federal steel secretary unveils further incentives** to boost green steel production as part of an **upcoming government mission**.

**Why it matters:** India is advancing its decarbonisation efforts with a strategic plan to incentivise green steel production through the National Green Steel Mission, anticipated to launch within the 2025 fiscal year. Key elements could include a Green Procurement Policy (GPP) to mandate low-carbon steel usage in all central government-funded infrastructure and construction projects, aiming to transform the steel industry by prioritising low-carbon steel production.

### 3. South Korea

**South Korea's government** is stepping up on its focus in the steel industry with a **groundbreaking US\$600 million initiative aimed at hydrogen steelmaking technology, as reported** in recent developments.

**Why it matters:** This ambitious project, backed by 38% direct funding and having passed a preliminary feasibility study, seeks to revolutionise steel production by 2030. It involves collaboration among steel mills, research institutions, and academia to create a 300,000-ton green steel plant that will utilise iron ore fines and hydrogen to produce low-carbon molten iron.

## Insights Into The Steel Value Chain

*Technological advancements and disruptions in the steel industry, as reflected in company transitions and developments across the value chain to support the transition toward low-carbon steel production.*



### 1. Hebei Iron and Steel Group

China's **Hebei Iron and Steel Group (HBIS)** explores new pathways to reduce of carbon emissions through **collaboration with upstream feedstock suppliers, signing an agreement with Rio Tinto** in March 2025.

**Why it matters:** HBIS produces a significant portion of its steel via the Furnace-Basic Oxygen Furnace (BF-BOF) process, relying primarily on imported feedstocks. To align with its goals on carbon neutrality by 2050, the company has initiated collaborations with global iron ore suppliers of Australia and Brazil to:

- optimise blast furnace feeds,
- enhance energy efficiency,
- explore hydrogen as an enabler in iron and steel making, and
- develop new technologies for more carbon abatement in the steel value chain.

### 2. Nippon Steel

Japan's **Nippon Steel** has taken steps towards transition by **announcing in June 2025, a US\$6 billion investment plan** to transition three blast furnace (BF) steel units in Japan to electric arc furnace (EAF) technology.

**Why it matters:** This capital investment, supported by Japan's Green Transformation (GX) Promotion Act, will provide Nippon Steel with 30% in subsidies by 2029. The total investment will replace the existing BOF route of steelmaking at these steel units with a low carbon electric arc furnace (EAF) route, with an aim to achieve 30% CO<sub>2</sub> reduction by 2030 and net zero by 2050. Read more [here](#).

### 3. POSCO Holdings

**South Korea's POSCO Holdings (POSCO)** has become the first Korean company to set up a mineral-feedstocks related **research facility in the vicinity of mines in Australia, as reported** in June 2025.

**Why it matters:** POSCO will use this lab to process low-grade iron in Australia to develop direct reduced iron (DRI) and hot briquetted iron (HBI). These products will be shipped to Korean steel mills as feedstocks for low-carbon steelmaking using EAF technology, supporting the company's transition to net zero carbon emissions by 2050.

### 4. Masteel

**Malaysia Steel Works (Masteel)** **inked an MOU on carbon capture, utilisation & storage (CCUS) technology** with a domestic gas company and an academic institution to integrate the technology into its own steelmaking process.

**Why it matters:** Masteel, one of the few ASEAN steel producers using induction furnace (IF) technology typically seen in smaller mills, switched from an EAF to an IF in 2022, achieving **over a 5% annual carbon emission reductions**. The success of this CCUS project could inspire similar initiatives at other domestic mills,. However, the Thai industry minister is **re-examining the use of induction furnace bar products** due to quality concerns. Read more about the Masteel MOU [here](#), and Thailand's proposed ban on IF [here](#).

## Technology Explainers

*101 on different production routes and technology readiness: Simplified explanations of low-carbon steelmaking technologies, their production processes, and current stages of development or commercial readiness.*

**This section of the newsletter is reserved exclusively for our subscribers, offering in-depth insights and updates tailored for investors. It includes external resources that provide context on steel production routes, featuring:**

- [an explainer from Steelwatch](#)
- [the explainer for non engineers from Transition Asia](#).

**For an overview of global progress towards steel decarbonisation, see Global Energy Monitor's report [here](#).**

## Acknowledgements

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## Contact

#### Neeti Gadgoli

Senior Associate, Stewardship

[neeti.gadgoli@aigcc.net](mailto:neeti.gadgoli@aigcc.net)

#### Nitish Ranjan

Strategic Advisor - Industrial Decarbonisation (Steel)

[nitish.ranjan@aigcc.net](mailto:nitish.ranjan@aigcc.net)

#### Valerie Kwan

Director, Stewardship

[valerie.kwan@aigcc.net](mailto:valerie.kwan@aigcc.net)

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- Include asset owners and managers
- Have more than US\$36 trillion combined AUM

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