

Agora
Industry

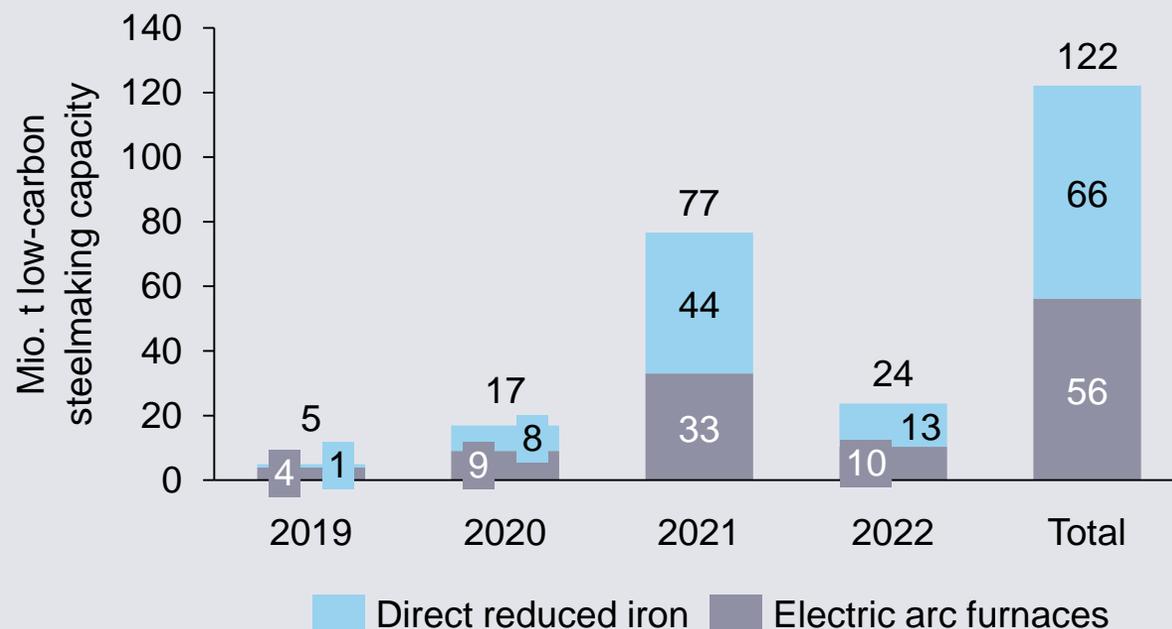


Improving data availability in the steel sector

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PARIS, 21.09.2022

The low carbon steel announcement tracker

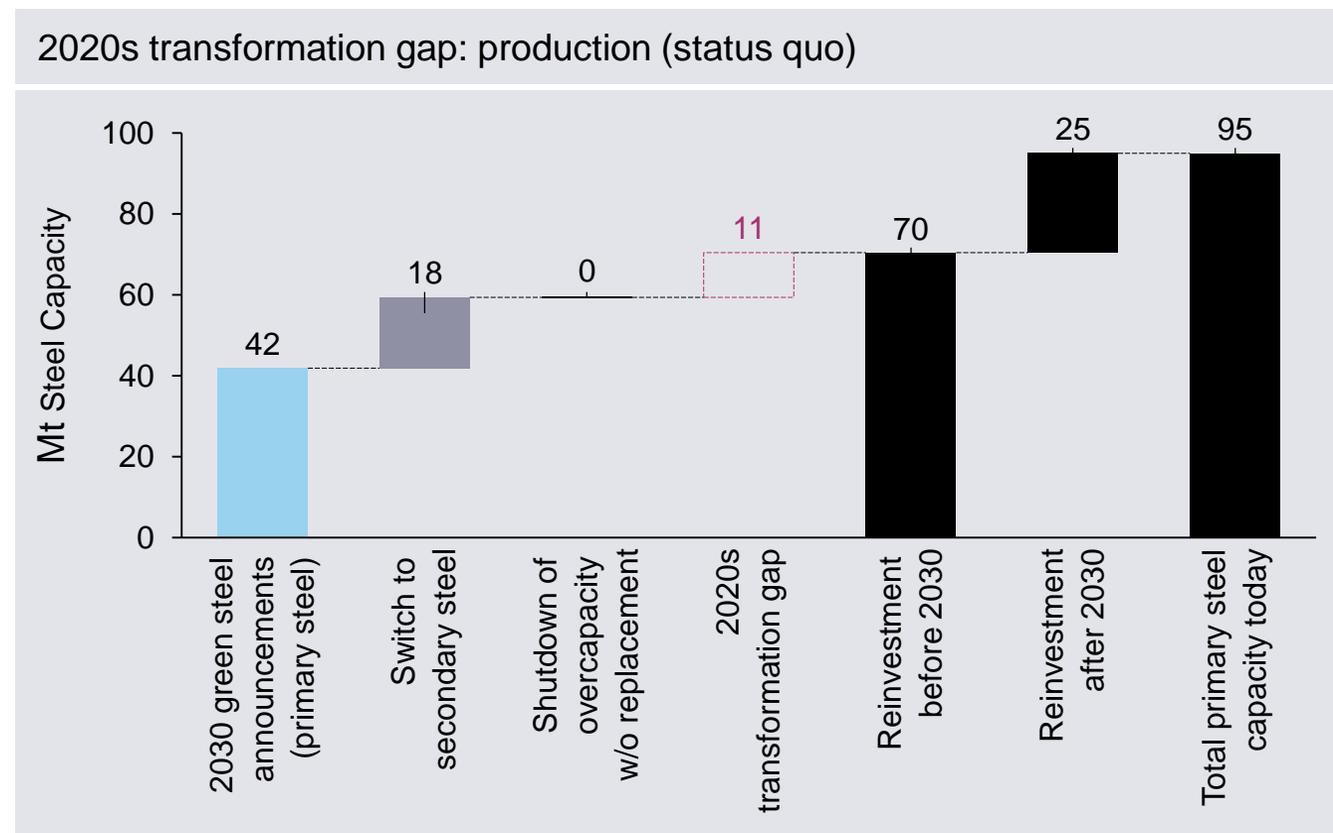
Global low-carbon steel announcements to be built before 2030



Agora Industry based on Agora Industry Global Steel Transformation Tracker, 2022

- The low carbon steel announcement tracker displays all steel companies' announcements globally to build capacity by 2030.
- It's broken down by country and technology.
- It's updated on a near weekly basis.
- It shows us that technological readiness and appetite in the market exists. But apart from very few cases no final investment decisions have been made, highlighting the need for a strong regulatory framework to support low-carbon steel investments.

The 2020s transformation gap in the European Union



- Using proprietary data, we calculate the global blast furnace capacity that will need reinvestment until 2030.
- Any blast furnace that is reinvested in in the 2020s (15-20 years) will create a risk of carbon-lock in, endangering the 1.5C target or risking costly stranded assets in the future.
- The difference between the low carbon steel capacity announced and the reinvestment requirements represents the transformation gap that we need to close.

Agora Industry, 2022; switch to secondary steel based on World Steel Dynamics, 2021

Addressing data gaps for a more effective transformation of the steel sector

- As of yet, there is no **open-source global** dataset of blast furnace capacity that includes **plant lifetimes**. This is crucial if we want to understand when policy interventions need to be made to avoid carbon lock-ins and/or stranded assets.
- We need a reliable **open-source** dataset on project pipelines of new coal based steel plants for countries where total steel capacity is increasing. Particularly in the ASEAN and South Asian context.
- There is no centralized data source that allows to calculate CO₂ emissions of the steel industry. Regarding production data, the World Steel Association allows for a good starting point, but does not give a **breakdown of scrap-based EAF production and DRI-EAF production**. The IEA accounting methodology in which the CO₂ emissions of industrial power plants in integrated iron and steel plants are **allocated to power and heat emissions** make it very difficult to have a robust assessment of CO₂ emissions of steel plants.