



Financing decarbonisation of the steel industry

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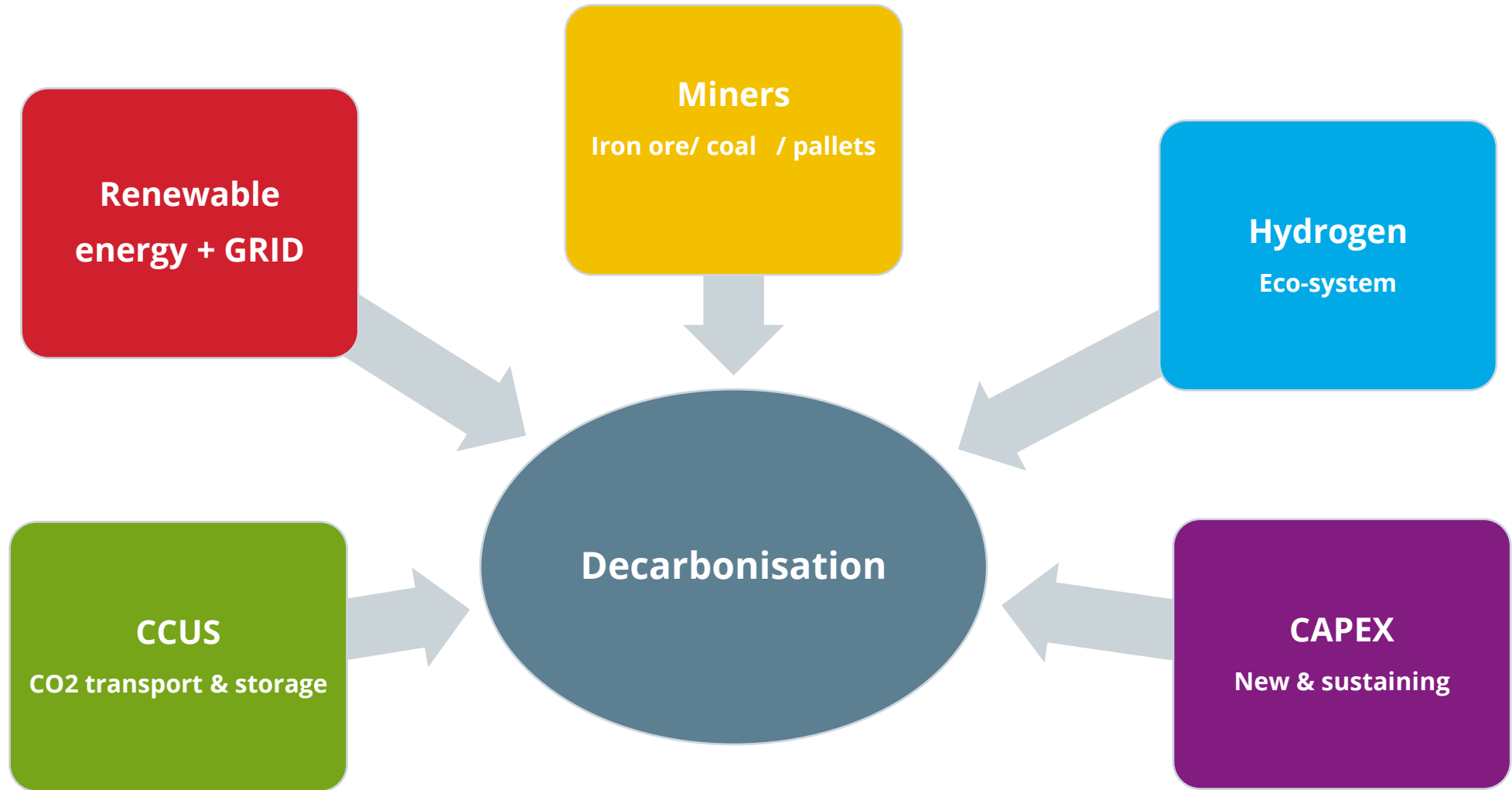
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3,545 - 5,450

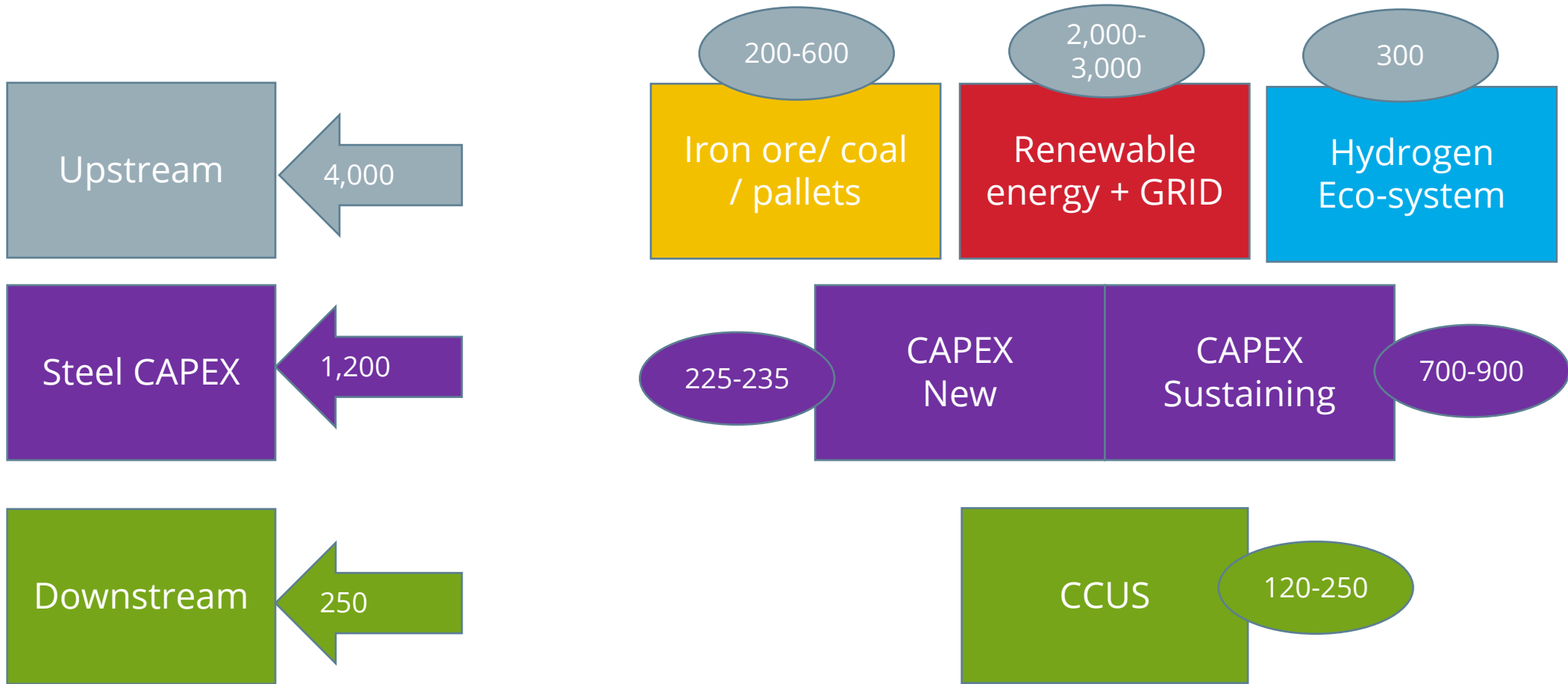
Billion USD

Source: worldsteel analysis

Key elements



Estimated cost by element



3,545 - 5,450 Billion USD (Minimum VS Maximum)

Steelmakers perspective

- Quite confident to secure sufficient fund to achieve decarbonisation goals
- Short-term investment on Efficiency & Energy saving while long-term investment on Efficiency & energy saving, Low Carbon Energy and Alternative reduction
- Commercial banks and government loans & incentives main source of funding
- Government is an essential enabler of major tech investment
- Climate finance options will be helpful
- Public policy and regulation very important in encouraging the use of climate finance options
- The greatest barriers to financing a green project today are inadequate return and technology risk
- Climate change performance and credible transition to remain an interesting and significant factor in the long term

Our observations

- Around a third of companies responded did not have Paris aligned pathways
- Difference in the needs and views of smaller and larger steelmakers
- Many are familiar with local green finance standards and climate finance product offerings
- Good level of understanding on climate finance options and the pros and cons of using them
- High level of trust in sustainability and climate financing and its associated labels