

REPORT:

CLEAN STEEL IS FAR MORE AFFORDABLE THAN WE THINK

New research across Brazil, China, India, the EU and UK shows that accelerating the transition to clean primary steel could add only a fraction of 1% to the price of everyday products.



<https://www.scurveeconomics.org/publications/enabling-investment-in-clean-primary-steel/>





STEEL HAS A MAJOR EMISSIONS CHALLENGE.

Primary steel accounts for around 75% of global steel production and approximately **85–90% of the sector's emissions**, making clean primary steel essential to the transition to net zero.





CLEAN STEEL IS POSSIBLE, BUT IT STILL COSTS MORE TO PRODUCE.

Clean primary steel currently costs around **25–50% more than conventional steel** across the countries and regions studied, creating a cost gap that governments need to help close if investment is to accelerate.



A black and white photograph of a construction worker standing on a complex network of scaffolding. The scaffolding is made of many vertical and horizontal metal poles, creating a dense grid-like structure. The worker is wearing a light-colored shirt and dark pants, and is positioned in the upper left quadrant of the image. The background is a plain, light-colored wall.

CARBON PRICING IS IMPORTANT, BUT UNLIKELY TO ENABLE INVESTMENT ON ITS OWN.

Carbon pricing can help reduce emissions, improve efficiency and influence investment decisions, but more targeted support will be needed to enable investment in near-zero emission technologies.





TARGETED SUBSIDIES COULD GIVE COMPANIES GREATER CERTAINTY TO INVEST.

Targeted, long-term subsidies can help close the cost gap for clean primary steel, funded through a small recharge spread across steel consumption.





THE PROPOSED APPROACH COULD SUPPORT CLEAN STEEL WITHOUT ADDING NET COSTS TO GOVERNMENT.

By recovering the cost of targeted subsidies through the recharge, the proposed approach can be revenue-neutral for governments, while spreading the cost widely across steel consumption and avoiding new international competitiveness risks.





THE IMPACT ON THE PRICE OF EVERYDAY PRODUCTS COULD BE SURPRISINGLY SMALL.

When clean primary steel reaches
around 10% of production in each
country, the increase in the price of
a new car could only be:

EU: +0.04%
Brazil: +0.09%
China: +0.09%
UK: +0.12%
India: +0.19%





CLEAN STEEL DEPLOYMENT COULD BE FAR MORE AFFORDABLE THAN PREVIOUSLY ASSUMED.

With the right policy mix, governments can begin closing the clean steel cost gap now, **accelerating investment without any effect on public finances or any noticeable effect on consumer prices.**



READ THE FULL REPORT



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