

Govt aims to cut steel emissions by 25%

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New Delhi, April 9

STEEL MILLS AIM to cut carbon emissions by about a quarter over the next decade and reduce reliance on coal, while the world's second-biggest producer of the alloy plans to more than double output.

Under the proposed "National Steel Policy 2025", the Centre aims to cut emissions from steel mills to 2 metric tonne of carbon dioxide per tonne of finished steel by 2035-36, according to a draft cabinet note dated March 10.

The new emissions reduction target has not been previously reported.

Steelmakers emit about 2.65 tonne of carbon dioxide per tonne of finished steel, roughly 32% higher than the global average of 2 tonne, and account for 10-12% of the country's total emissions.

India has been hit by the European Union's carbon border tariff, which from January this year imposed fees on imports of steel, cement and other high-carbon goods, forcing the country to scout for alternative export markets.

The policy proposes promoting gas-based steelmaking, increasing the use of steel scrap, and offering incentives for continuous emission reduction.

It also calls for collaboration with the oil ministry to secure overseas gas supplies and partnerships.

Only 21% of blast furnace capacity and 5% of direct reduced iron (DRI) capacity - or sponge iron produced using gas or coal without melting it - have access to gas pipeline infrastructure. As steelmaking capacity grows, decarbonising the sector is crucial for meeting India's net-zero emissions target by 2070. Buoyed by rapid economic expansion India has set a target to expand crude steel capacity to 400 million tonne by 2035-36.

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