

Transition Asia Spoke in A Study Session for Japanese Members of Parliament

Hong Kong, 17 December 2025 – Transition Asia was invited to speak in a study session on steel decarbonisation on 9 December 2025, with Kenta Kubokawa, Japan Lead, presenting the analysis to members of the Japanese Diet. The closed-door session, titled “Steel Strategy for the Next Generation: Forging a Path to Competitiveness with Electric Arc Furnaces and Scrap” highlighted the indispensable roles of electric arc furnaces (EAF) for steel production and scrap as a critical raw material.

Mr. Kubokawa shared Transition Asia’s views on the current market, techno-social and policy dynamics in the steel sector that have intensified in recent years and led to heightened global competition, in addition to realistic and feasible recommendations for improvement. Japan’s steel industry has a long history of underpinning the nation’s economic growth and prosperity; nevertheless, it is facing significant challenges from shrinking domestic demand to fierce global competition.

The presentation underscored the importance of establishing a robust and internationally credible definition of green steel or low-emission steel, alongside expanding the country’s renewable energy supply to enable the large-scale production of such steel.

Kenta Kubokawa, Japan Lead at Transition Asia said, “To remain competitive in an increasingly complex global environment, immediate policy support is essential, not only for steelmakers, but across the entire value chain. Japan has a clear advantage in its abundant supply of scrap steel at globally competitive prices, as scrap steel is the primary raw material for EAF-based steelmaking, which offers a lower-emission pathway. Stronger domestic circulation of scrap and more robust supply-chain arrangements for other low-emission inputs should be actively promoted.

“At the same time, the availability and cost of renewable energy have emerged as the most critical bottleneck. Addressing this challenge through decisive policy measures is vital not only for steel decarbonisation, but for Japan’s broader economic competitiveness.”

Mr. Kubokawa also highlighted the growing role of direct reduced iron (DRI) and hot briquetted iron (HBI), a transportable form of DRI, in steel decarbonisation. DRI produced using green hydrogen is a near-zero-emission iron resource that can be used alongside scrap in EAFs. This approach helps to address potential scrap shortages while enabling the production of higher-quality steel products, further strengthening the case for accelerating Japan’s transition to low-emission steelmaking. Taken together, these solutions demonstrate Japan’s readiness to pursue a decarbonisation pathway that is technically viable and economically achievable, provided timely and coordinated policy action is put in place.