

SSAB in 'Pole Position' in Green Steel Race With New Plant

Hanna Hoikkala 3/24/2021

(Bloomberg) -- A Swedish joint venture that aims to remove fossil fuels from steelmaking is planning on establishing its first demonstration plant in 2026.

Hybrit, an initiative run by steelmaker SSAB AB, iron ore producer LKAB and energy supplier Vattenfall AB, will locate the factory in the northern Swedish town of Gällivare, according to a statement.

The demonstration plant will initially produce 1.3 million metric tons of fossil-free sponge iron, with a target to expand to 2.7 million tons by 2030, the companies said on Wednesday. That feedstock will be supplied to SSAB, among others, to help make fossil-free steel.

Swedish Prime Minister Stefan Löfven described the announcement as “a huge industrial investment.” It shows “not only the whole of Sweden, but the whole world, that there is hope in climate change,” he said on social media.

SSAB will also explore the prerequisites for converting to fossil-free steel production at its Luleå factory faster than planned under the Hybrit partnership. The company’s target of being the first to market with fossil-free steel remains in place, it said.

The steelmaker’s Chief Executive Officer, Martin Lindqvist, told Bloomberg that it’s a positive development to see [other business ventures](#) now exploring this new type of production.

“It is good for the climate,” he said of the development. “It also makes us on the margin even more confident that we have chosen the right path.”

Analysts at Handelsbanken said in a note that the announcement keeps SSAB “in pole position” for the race to deliver green steel. The shares rose as much as 4.2% in Stockholm.



(Adds SSAB CEO comment in 6th and 7th paragraphs, Handelsbanken in final paragraph.)

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