

PRESS RELEASE

Indonesian, Australian firms team up on zero-emission steel

JAKARTA/PERTH, 6 NOVEMBER 2023 –Leading private Indonesian steelmaker PT Gunung Raja Paksi Tbk (GRP), a member of Gunung Steel Group, is working towards a greener and more inclusive future, with a plan to reduce carbon emissions from the steel industry by replacing natural gas with green hydrogen produced on site using Australian technology. The Indonesian and Australian governments are backing the initiative, with a technical feasibility study now underway through the government-supported business development program Katalis.

If successful, the plan could see GRP replace natural gas at its plant in Cikarang, West Java, with green hydrogen sourced from Australian green energy company Fortescue.

“Transitioning to a green economy requires a concerted effort across businesses to collaborate, innovate and invest. Katalis is proud to support the technical feasibility study that will inform the viability of producing steel at zero emission and at the same time progressing economic partnership and more integrated markets between Indonesia and Australia,” said **Paul Bartlett, Katalis Director**.

The Technical Feasibility Study was foreshadowed in GRP and Fortescue’s [memorandum of understanding](#) signed at the B20 summit in Bali in November 2022. Under the MOU, the two parties agreed to investigate how green hydrogen and green ammonia supplied by Fortescue could be used to help decarbonise GRP’s steelmaking factories, as well as offtake opportunities.

The MOU and Technical Feasibility Study could aid GRP’s ambition to achieve full operational carbon emission reduction in its existing processing plant by 2030 and carbon neutrality by 2050.

“Decarbonising our steel production is in line with our commitment to achieve net zero and will provide us with a competitive regional advantage. Katalis support for the technical feasibility study to pursue the use of green hydrogen at our plant in West Java will go a long way to help Indonesia’s steel industry reinvent and pursue new commercial models,” said **Kimin Tanoto, GRP Member of the Executive Committee**.

Steel production is an energy-intensive process, requiring substantial amounts of gas to power production plants. Long-term, the plan could see the companies working together to develop a green hydrogen plant within GRP’s steel manufacturing plant in Cikarang, which spans more than 200 hectares. The green hydrogen produced in this plant would, in that scenario, replace the natural gas currently used in GRP’s downstreaming process and ensure continued efficiency in steel production.

Fortescue is providing technical input into the Katalis-funded technical feasibility study, which will analyse the potential of replacing the burning of carbon-emitting natural gas at GRP’s stationary combustion steel manufacturing operations with green hydrogen gas.

“Fortescue is leading the global development of green electrons, green hydrogen and green technology that will help step the world beyond fossil fuels. We want other companies to join us to combat climate change. We welcome the support of Katalis to enable the collaboration with PT Gunung Raja Paksi Tbk and look forward to helping Indonesia develop and deploy green technology in the steel industry,” said **Eva Hanly, Fortescue Energy President, Asia Pacific**.

The feasibility study is due to be completed in December 2023.

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About Katalis

IA-CEPA ECP Katalis (Katalis) is a unique, five-year (2020-25) government-backed business development program unlocking the vast potential of economic partnership between Australia and Indonesia. Katalis was established under the Indonesia-Australia Comprehensive Economic Partnership Agreement Economic Cooperation Program (IA-CEPA ECP). The program complements other Australian development programs with a commercially oriented, bilateral approach and places gender equality and social inclusion at the centre of everything we do.

About PT Gunung Raja Paksi Tbk

PT Gunung Raja Paksi Tbk (GRP) is part of the Gunung Steel Group, which is one of Indonesia's major private steel businesses. Our company began its operations in 1970 in Medan, North Sumatra, by producing hot steel, then progressed to manufacture steel beams and sheets. With over 50 years of steel industry experience, GRP has a production capacity of 2,200,000 tons of high-quality steel annually approved by local and international certifying company. Today, our company has become one of the largest private steel companies in Indonesia. Gunung Raja Paksi, "Shaping Tomorrow". Together we develop a better future. For more information, please visit: www.gunungrajpaksi.com

About Fortescue

Fortescue is a global metals and green energy company, recognized for its culture, innovation and industry-leading development of infrastructure, mining assets and green energy initiatives. It operates with two divisions – Metals and Energy. Fortescue is committed to producing green hydrogen, containing zero carbon, from renewable electricity. Green hydrogen is a zero-carbon fuel that, when used, produces primarily water. It is a practical and implementable solution that can help revolutionize the way we power our planet: helping to decarbonize heavy industry and create jobs globally. Fortescue is leading the green industrial revolution, acquiring and developing technology solutions for hard-to-decarbonize industries, while building a global portfolio of renewable green hydrogen and green ammonia projects. Fortescue is also leading the global effort to help decarbonize hard-to-abate sectors and is developing and acquiring the technology and energy supply to help decarbonize the Australian iron ore operations of one of the world's largest producers of iron ore, Fortescue Metals, by 2030 (Scope 1 and 2 terrestrial emissions). fortescue.com