Hot Briquetted Iron (HBI) Market to Rise from USD 4.4 Billion in 2024 to USD 8.1 Billion by 2035 | TMR

Hot Briquetted Iron Market Expected to Reach USD 8.1 Billion by 2035 Driven by Rising Adoption of Electric Arc Furnaces

WILMINGTON, DE, UNITED STATES, August 22, 2025 /EINPresswire.com/ -- The global hot briquetted iron (HBI) market has entered a period of sustained expansion driven by the twin imperatives of steel industry decarbonization and efficiency improvements in electric arc furnace (EAF) operations. Valued at US$ 4.4 billion in 2024, the industry is forecast to grow at a CAGR of 5.8% between 2025 and 2035, reaching US$ 8.1 billion by 2035. Analysts note that HBI, as a densified and safer-to-handle form of direct reduced iron (DRI), is finding rising demand as the steel sector pivots to cleaner, higher-quality feedstocks.

> Hot Briquetted Iron (HBI) Market to Reach USD 8.1 Billion by 2035 Amid Shift Toward Green Steel Production”
>
> *By Transparency Market Research*

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Market Size and Growth

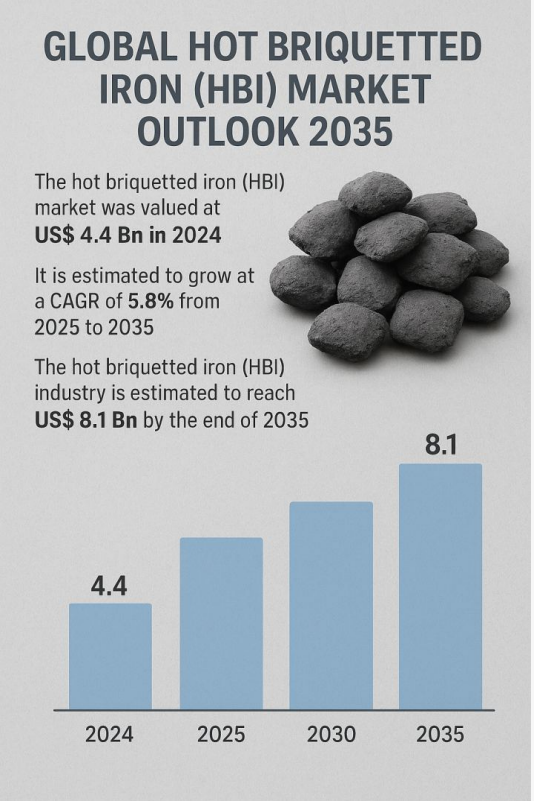
The market’s size trajectory reflects a decisive transition in global steelmaking. As demand for high-grade steel continues to climb in automotive, construction, and heavy machinery sectors, steelmakers are seeking feedstocks that combine metallurgical purity with lower carbon footprints. HBI fulfills this need, offering high iron content with minimal residual impurities while enabling efficient melting in both EAFs and blast furnaces.

Between 2025 and 2035, the industry will nearly double in value, with sustained annual growth reflecting regulatory support, green steel premiums, and capital investments in new EAF capacity. The rise of renewable-powered DRI plants integrated with HBI production facilities is further cementing the role of this material in next-generation steelmaking pathways.

Market Segmentation

Segmentation by product purity reveals that HBI with >92% Fe content dominates the market with 64.7% share. This segment is preferred by EAF operators and premium steel producers who value high-grade feedstock for its metallurgical consistency, reduced energy requirements, and compliance with tightening environmental regulations.

Lower Fe content categories retain importance in price-sensitive applications, but the clear trend is toward high-purity HBI as industries prioritize quality assurance and environmental performance. Beyond Fe content, segmentation also occurs by application—EAFs constitute the largest consumption segment, followed by hybrid operations that combine HBI with blast furnaces during transition periods toward lower emissions.



Hot Briquetted Iron (HBI) Market

Regional Analysis

The Asia Pacific region leads the global HBI market with a 49.9% share, reflecting its role as the world's steelmaking hub. China, India, and Vietnam are rapidly expanding steel capacity to meet infrastructure and manufacturing demand, and governments are simultaneously steering industries toward lower emissions. EAF adoption is rising in the region, creating fertile ground for HBI's expanded use.

Europe holds 29.2% of the global market, underpinned by its ambitious decarbonization goals and regulatory frameworks that penalize carbon-intensive steelmaking. European steelmakers are at the forefront of adopting hydrogen-based DRI and HBI to replace coal-based blast furnaces.

In the Middle East and Latin America, investment in new steel capacity often includes integrated DRI–HBI plants, allowing producers to tap into both regional demand and global export markets. North America, though smaller in share, represents a significant growth zone due to the U.S. push toward low-carbon steel for automotive and infrastructure applications.

Market Drivers and Challenges

Decarbonization Push in the Steel Industry

Steelmaking accounts for nearly 7–9% of global CO emissions, making decarbonization a central priority for regulators, investors, and end-use industries. HBI stands out as a feedstock

that can drastically reduce emissions, particularly when produced with natural gas or hydrogen instead of coal. Its compatibility with EAFs makes it a cornerstone of the green steel transition, positioning it as a preferred input for companies pursuing Science-Based Targets or aiming to access premium markets for low-carbon steel.

Rising Adoption of Electric Arc Furnaces (EAFs)

EAFs are replacing traditional blast furnaces as the steel industry pivots toward flexibility, cost savings, and sustainability. However, scrap quality and availability pose challenges for high-grade steel production. HBI bridges this gap, providing a reliable and consistent raw material that ensures metallurgical quality while reducing operational risks. As new EAF capacity comes online across Asia, the Middle East, and the Americas, HBI demand is set to accelerate.

Challenges

Despite strong drivers, the HBI market faces hurdles. High capital costs for setting up DRI–HBI plants, volatility in natural gas and hydrogen supply, and logistics considerations in transporting briquettes over long distances could dampen growth. Furthermore, competition from scrap and other low-cost raw materials persists in price-sensitive markets. Addressing these challenges requires technological innovation, supply chain optimization, and policy alignment across key producing and consuming regions.

Market Trends

Several trends are shaping the HBI landscape toward 2035:

Hydrogen-based HBI production: With hydrogen increasingly available from renewable sources, producers are piloting H□-based DRI–HBI facilities to further cut carbon intensity.

Integration with renewable energy: New plants are being designed to leverage solar, wind, and hydro power for production, aligning with net-zero targets.

Premium green steel markets: Automakers and construction firms are willing to pay higher prices for low-carbon steel, incentivizing steelmakers to incorporate HBI.

Strategic partnerships: Collaborations between technology providers, energy companies, and steel producers are becoming more common to develop cost-effective HBI solutions.

Competitive Landscape

The global HBI market is consolidated, with leading producers leveraging scale, technological expertise, and vertical integration. Jindal Shadeed Iron & Steel LLC, Metalloinvest MC LLC, Voestalpine Rohstoffbeschaffungs GmbH, and Qatar Steel dominate global supply, with production facilities strategically located near iron ore resources and natural gas hubs.

Other significant players include Abtin Steel Technology Co., Cleveland-Cliffs Inc., Orinoco Iron, Kobe Steel, Lion Group, and Midrex Technologies, which provide both production and process technology solutions. The competitive emphasis is increasingly on productivity, carbon efficiency, and innovation, with producers investing heavily in new energy-efficient plants and supply chain resilience.

Future Outlook

Looking ahead to 2035, the HBI market is expected to evolve as a central pillar of sustainable steelmaking. Strong policy support for decarbonization, the growing role of EAFs, and investor pressure for greener value chains will all ensure robust demand for HBI. High-purity (>92% Fe) briquettes will dominate, while hydrogen-based production is projected to become a mainstream offering as renewable energy costs decline.

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