Scrap Metal Market Report

No. 112 *compiled and edited by J. Hanke 22. October 2025*

Green Scrap for Green Steel!

bvse Fachverband Schrott, E-Schrott und Kfz-Recycling

Yet Again, a Glimmer of Hope of an Economic Upturn Remains

Scrap Metal Market Report – October 2025

Editorial Deadline: 22.10.2025

General Developments

Despite the uncertainties surrounding the implementation of government investment programs as well as the ongoing global uncertainty, the German ZEW Economic Sentiment Index rose slightly in October, according to ZEW President Prof. Achim Wambach. Hence, hope for a medium-term upswing remains. Driven by France's budget dispute, expectations for the Eurozone are deteriorating slightly. In contrast, expectations for the export-intensive sectors of metal production and mechanical engineering have improved slightly during October.

In its short range outlook, the World Steel Association (worldsteel) forecasts a globally unchanged steel demand of around 1.75 billion tons for 2025. A moderate increase of 1.3% to 1.772 billion tonnes is expected in 2026. Whilst the Chinese demand decline of about 2% is expected to continue during 2025, worldsteel anticipates a slight stabilisation from 2026 onwards. Growth, especially in India, Vietnam, Egypt and Saudi Arabia, is supporting global steel demand. Alfonso Hidalgo de Calcerrada, Chief Economist of the Spanish Steel Association (UNESID) and Chairman of the worldsteel Economic Committee, believes the nadir of global steel demand will be reached in 2025. He is expecting a sustainable, albeit moderate, recovery underpinned by targeted industrial investments and a robust global economy during 2026.

Scrap Market

The domestic scrap market showed average price reductions of €10 - €15 per tonne during October. This comparatively significant price decline became apparent relatively quickly, being decisively and uncompromisingly demanded and enforced by the buyers. In general, inventory levels in the scrap trade were fairly good. Nevertheless, in the middle of the month exporters found themselves forced to increase scrap prices by up to €10 per tonne in order to secure material to cover their sold quantities. A north-south divide emerged on the scrap market. The south, characterised by a generally higher volume of industrial scrap, is having increasing difficulty selling material to neighbouring countries – particularly to Italy and Switzerland. In the north, the export market helped and supported material volume inflow in recent months,

A certain logistical issue came back into focus of the scrap industry: the provision of railway wagons. Many scrap dealers complained about no or too few wagons being available for their deliveries. New refreshing initiatives from Deutsche Bahn are not enough to smooth over the difficulties and problems that the scrap industry is struggling with. Structural improvement and timely delivery of scheduled wagons are essential, so that the logistical process is not being constantly disrupted and can proceed smoothly.

Regional Developments

In the **north** of Germany, steel mills closed contracts with average price reductions of -€10 per tonne. One mill offered a significantly higher price reduction of -€20 per tonne but purchased little to no quantities at this level. In the **east**, one steel mill was able to cover its required demand with a price reduction of -€10 per tonne for all scrap grades. Another mill applied somewhat higher price reductions, ranging from -€10 - €15 per tonne. This steel producer was able to take advantage of good inventory reserves and scrap purchases from the Czech market. However, demand in the east is somewhat subdued; one plant has halted production and another is operating at reduced production levels. In the **west**, one large steel mill purchased turnings at -€10 per tonne and other grades at up to -€20 per tonne, whereby previously announced catch-up demand was factored in. Consumers in the **southwest** bought scrap in October at price reductions of -€10 - €15 per tonne. Along the **Saar** river, scrap lots changed hands at -€20 per tonne. In the **south**, reductions ranged from -€10 to -€15 per tonne.

Neighbouring Foreign Markets

On the **French** market, price reductions differed for obsolete and industrial scrap. A major consumer purchased obsolete scrap at -€10 per tonne, whereas industrial scrap was purchased with slightly higher price reductions of -€12 per tonne. In **Luxembourg**, price reductions of -€20 per tonne were considerably more than in neighbouring France. Whether the desired purchase quantities will be achieved at this price level remains to be seen. In **Austria**, price reductions of -€10 per tonne for both obsolete and industrial scrap were seen. During October **Switzerland** recorded no significant purchase volumes. **Italian** mills reduced their offered prices by -€10 per tonne, with some mills even achieving price reductions peaking at -€15 per tonne. German importers had difficulties selling industrial sheet metal scrap at fair prices.
In **Poland**, scrap prices fell by -€12 per tonne during the month. Local market participants reported that steel mills are struggling to uphold traditional steel production volumes and are preferring to use semi-finished product imports over domestic scrap.

Global Scrap Market

At the beginning of October, scrap exporters continued to face weak demand. Turkish steel producers initially showed little interest in buying scrap on the deep sea market. After almost five months of stability, they finally conceded to increase their scrap purchasing prices.
Due to extended production cuts in US mills, US scrap dealers were able to offer larger quantities of material than initially assumed. A considerable demand for bulk goods from the Middle East and North Africa, where the construction season had just begun, provided alternative sales channels. In the USA, there was still a shortage of HMS 1/2 qualities, so stability on the October market was initially expected. In the negotiation rounds, prices for HMS 1/2 (80:20) grade scrap remained stable or fell by up to -US$10 per tonne. For other types of scrap, the decline was higher, ranging from -US$10 to -US$30 per tonne.
At the end of the second week of October, some sales transactions at higher price levels became known, including deliveries from the USA, but also from Denmark, Sweden, Estonia and Belgium. After their relatively sluggish purchasing campaigns in previous months, Turkish mills purchased scrap for November delivery to replenish their stocks. The mills acknowledged that rising freight costs and limited material inflow had led to the recent increase in market prices. A Turkish mill purchased HMS 1/2 (80:20) grade scrap of German origin at US$346 per tonne and a Dutch freight load at US$344 per tonne CFR Turkey. According to market participants, both batches were intended for November loading.

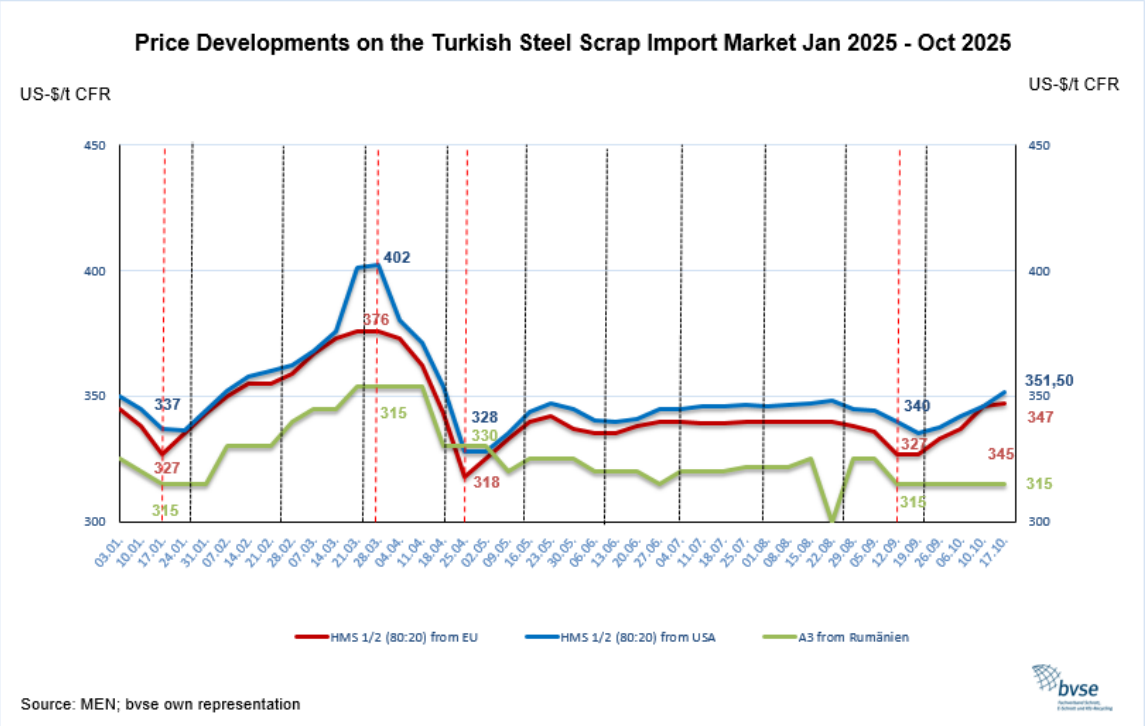

Figure 1: Price Developments on the Turkish Steel Scrap Import Market: January 2025 to October 2025

Foundry

In the steel industry, one steel summit chases the next drawing attention to their plight with considerable hullabaloo, whilst only quiet tones are heard from the foundry industry about silent departures of predominantly medium-sized family businesses which have been operating for several generations. The demise of foundries continues insidiously, almost unnoticed by the general public and the powers that be. Sande, an internationally important steel foundry near Wilhelmshaven, is in financial difficulties; negatively impacting approximately 200 employees. Annually, the foundry produces approximately 3,500 tonnes of individually manufactured components, amongst others, for the mechanical engineering, energy and shipbuilding sectors, as well as various turbines and compressors. At the Lollar foundry, formerly Robert Bosch Lollar Ltd, 230 employees will lose their jobs at the end of 2025. Once, a competence and manufacturing centre for innovative coating processes for brake discs was to be established there. These developments are already leading to changes in the scrap market. Material flow is changing, especially for turnings, which are now increasingly being diverted from the foundry scrap market to the steel scrap market.
The mobility transition initiated by the German government fails to recognise that the vertical range of manufacture of German automobile manufacturers is only around 25%. Accordingly, it is not only, as often portrayed to the public, the automobile manufacturers who are the sole sufferers of this transition. The supplier industry and the metalworking industry, which are constantly optimising, adapting and even taking up research and development work in order to offer their more affordable components are having considerable difficulties too. The silent bleeding out of foundries continues almost noiselessly and still too often unnoticed by the general public and the powers that be.

Outlook

Opinions differ on the outlook for November. The German domestic market fell quite significantly during October by €10 - €15 per tonne. On the export market, there were slight price adjustments to compensate for higher freight costs. Market participants have different views on the coming month; these range from unchanged scrap prices to corrective counter adjustments, resulting from the relatively significant price reductions seen during October. Some scrap dealers confirmed that they not in the situation to be able to sell their entire quantities at the current price level. A key factor will be how November demand develops; some plants are expected to purchase scrap to cover demand for November and December, the latter of which will be reduced due to end-of-year mill shutdowns. Whether the scrap market remains unchanged or shows movement remains open, yet again.