



# Scrap Metal Market Report

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Green Scrap for Green Steel!



## Lacklustre market with moderate willingness to sell

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### General Developments

Despite the economic crisis, Germany remains the largest net contributor to the EU. Last year, Germany paid €13.1 billion more into the EU budget than it received. The analysis by the German Economic Institute (IW) shows that Germany remains the largest net contributor, albeit the contribution has fallen by a third since 2022 from €19.7 billion due to the weak German economy. Each German citizen paid around €157 net to the European Union in 2024. With €560, the highest sum per capita of the EU budget flows to Luxembourg, due to the European Union's space programme based there. The Baltic countries of Latvia (€547), Estonia (€444) and Lithuania (€435) follow. With a total of €3.5 billion, Greece received the highest overall sum, followed by Poland with €2.7 billion. In 2023, Poland was still clearly in first place with €8.1 billion. IW expert Samina Sultan sees the EU budget as a reflection of the economic power relations in Europe. Fast-growing countries, such as Poland, have recently received less support, whilst Germany and France are making smaller contributions due to their respective economic crises.

### Scrap Market

The December market revealed a very diverse picture. Tough, but also lacklustre, negotiations characterised the month, whereby the point of contract closure influenced the price level. The export market picked up speed in the first days of the month and put domestic prices under pressure. Some consumers already purchased across months in November, positioning themselves on the market during December with unchanged scrap price levels. Other consumers made price increases of up to €10 per tonne, and in some isolated cases even peaked at €15 per tonne. These increases were not only regionally varied, but also differed from consumer to consumer within each region. Price increases were intended to create incentives to deliver material to customers.

In general, the material inflow to scrap dealers seasonal decline. Reduced activity in construction resulted in lower obsolete scrap volumes and industrial scrap volumes also decreased, due to falling production levels towards the end of the year. Some export yards increased purchase prices to secure material for previously sold shipments. The price levels for industrial scrap have been very strong in the past months, which is why some consumers offered more moderate price increases for industrial scrap during December than they did for obsolete scrap. Large quantities of scrap did not exchange hands due to lower demand and only moderate willingness to sell on the part of scrap traders. In general, the willingness to load scrap decreased significantly towards the end of the year.

It has been reported that some consumers started their Christmas holidays early and reduced their production levels accordingly. The prospect of lower electricity costs in the new year provided incentives to transfer production volumes to the coming year.

### Regional Developments

In the **north** of Germany, steel mills procured scrap at varying price conditions. One plant bought across months and offered unchanged prices during December. Other consumers made price increases from €5 - €10 per tonne. In the **east**, steel mills generally bought scrap for €10 per tonne more than in the previous month. One consumer made this price increase for scrap grade E1 and E5 turnings, whilst other grades remained unchanged. After initial tough negotiations, a large scrap buyer in the **west** procured its scrap quantities at price increases of €10 per tonne. In the **southwest**, price levels were €10 per tonne higher than last month. One consumer is said to have already postponed delivery of its purchased quantities to 2026 due to this month's short production period. Along the **Saar** river, steel mills bought obsolete scrap at price increases of €10 per tonne, industrial scrap was valued somewhat lower at €5 per tonne.



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## Neighbouring Foreign Markets

December prices on the **French** market ranged from unchanged to increases of €10 per tonne. Obsolete scrap prices were at the upper end of the range at €10 per tonne, whilst industrial scrap tended to remain at an unchanged level. In neighbouring **Luxembourg**, price increases were not uniform and reached varying levels. Price increases for smaller contact quantities were €5 per tonne, other price increases for larger quantities ranged from €10 - €15 per tonne; albeit prices above this level are also said to have been quoted. In **Austria**, prices for both obsolete and industrial scrap increased by €5 per tonne. In **Switzerland**, consumers increasingly relied on domestic scrap, while scrap from Germany was only requested to a limited extent. Prices were unchanged compared to last month. In **Italy**, market behaviour was subdued this month and no major changes were recorded. Most steel mills were preparing for the Christmas holidays, buying scrap at unchanged prices, albeit a few buyers increased prices by €5 - €10 per tonne. **Polish** consumers are on the look-out scrap. Price increases this month were from €5 - €7 per tonne and for heavy obsolete scrap at €16 per tonne. Scrap dealers showed little willingness to sell. Accordingly, it was not easy for consumers to procure sufficient material. Scrap prices remained unchanged on the **Czech** market, as the largest steel mill postponed November contract quantities until the end of the year, resulting in practically no additional purchases taking place during December.

## Global Scrap Market

On the first of December, prices rose by 50 cents to US-\$365 per tonne CFR Turkey, according to the Argus' daily price assessment of grade HMS 1/2 (80:20). The increase was based on the US sale of a scrap cargo to a steel mill in Samsun; the cargo contained 15,000 tonnes of HMS 1/2 (80:20) at US-\$365 per tonne as well as 13,000 tonnes of shredded and 3,000 tonnes of bonus scrap at US-\$385 per tonne CFR Turkey. At the beginning of the month, one market participant had already suspected that the loading schedule for January was already half full; this would point to tight supply and relatively high demand.

In November, Turkish rebar saw a remarkable price increase of US-\$34.50 per tonne. In contrast, import scrap prices for HMS 1/2 (80:20) only rose by US-\$14 per tonne on the deep sea market. Scrap exporters had difficulty keeping purchase prices stable. Turkish steel mill scrap demand increased due to numerous stock replenishment activities following increased finished product prices during November and further price increases in December. The scrap supply remained limited. Billet continued to be a price competitive alternative to scrap use, but delivery times were extending into March.

Exporters were forced to pay higher prices to secure volumes during the usually weakest collection period of the year. Most recently, steel mills have been reluctant to raise import scrap prices further. Export offers remained limited due to low inflow of material at the main export ports. Adverse weather conditions, difficult logistics as well as additional costs for freight and loading further exacerbated the initial situation.

## Foundry Market

Foundry cost structure increasingly became the centre of attention. The implementation of savings and efficiency programmes are necessary to increase profitability. As in the previous year, price negotiations for scrap were again on the agenda at the end of this year. Foundries demanded massive price reductions, which they ultimately also enforced. These price reductions negatively impact the margins of the scrap industry. The quantities of castings produced continued to be at a low level, although some market participants are inclined to describe the foundry landscape somewhat more positively. A slightly increased demand for scrap makes some market participants look somewhat more optimistically towards the foundry industry.

## Outlook

Throughout the year, logistics presented the scrap trade with major challenges; whether by road, rail or water, the search for suitable loading options was very complex and time-consuming, and transport itself was costly. This year showed that scrap dealers with large overheads and large cost structures faced enormous economic challenges. Smaller medium-sized companies were generally better able to adjust to the difficult market conditions. Speculative purchases against the market trend did many companies no good and led to financial difficulties. The scrap market was characterised throughout the year by long periods of falling prices. Due to the generally weak economic situation, insolvencies and industrial relocations abroad the volume of scrap decreased and led to shrinking margins. Companies that distinguished themselves through flexibility, responsiveness and constant market observation coped better with the adverse market conditions.

Currently, many dealers see no economic improvements in the first quarter of 2026. However, there is a glimmer of hope that there will be slight signs of a better economic starting position in the second quarter. Market participants are sure that next year will not be a walk in the park. Many market participants consider the coming year to be even more difficult than the current one, although this year has already shown us a challenging market environment. One thing is clear: the scrap trade must constantly reinvent itself, open up new sales channels, move flexibly on the market and confront changing challenges again and again.