



Scrap Metal Market Report



No. 011 compiled and edited by J. Hanke 21. January 2025

Green Scrap for Green Steel!

Price Increases at the Start of the New Year

Scrap Metal Market Report – January 2026

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General Developments

The European economy deteriorated more sharply at the end of 2025 than initially anticipated. The main drivers of this development were declining production volumes and a significant drop in new orders. The downturn was considerably more pronounced in Germany, which recorded its weakest economic performance in December since February 2025. Italy and Spain experienced a similar situation, though not quite as extreme as in Germany. France was an exception, achieving its strongest industrial output since June 2022. In the German mechanical and plant engineering sector, order volumes recovered towards the end of 2025. However, this sector had stagnated at the previous year's level during the first eleven months of the year.

Steel production plummeted in 2025, marking the fourth consecutive year of crisis. At 34.1 million tonnes, crude steel production was around 9 percent below the already very low level of the previous year. Since German reunification, a similarly low figure has only been recorded during the global financial crisis of 2009. At the same time, capacity utilisation at German steel mills fell below 70 percent, a critical threshold for the energy-intensive steel industry.

Positive momentum at the start of the year is coming from the EU trade agreement with the Mercosur countries. Given the current economic crisis, German industry is dependent on developing new markets and finding long-term strategic partners. Experts are certain that with the agreement's entry into force, the region will gain in importance as an investment location for German companies. **Europe is securing its place in global trade – through market liberalisation, not through protectionism.** At the last minute, the European Parliament decided to refer the agreement to the European Court of Justice for review. This meant that the agreement, which had already been signed, was once again put on hold.

Scrap Market

At the beginning of the new year, securing quantities of steel scrap was a top priority. The winter months led to reduced collection volumes and logistical challenges across all modes of transport: road, rail, and water. According to market participants, price increases for rail transport at the start of the year ranged from 7% to 10%.

Overall, scrap demand started relatively well, although the volume of scrap available was subdued. This led to the expected initial price increases in January, ranging from €20-30 per tonne. Scrap negotiations ultimately concluded with price increases of €10-15 per tonne. Steel mills purchased reduced quantities in December or combined their November and December purchases; this resulted in varying price increases in January, depending on the previous month's increases.

Traders reported that large quantities of scrap metal were not available on the market, citing the strained export situation, which has essentially persisted since the end of November. Exporters were forced to raise their offered prices to secure the supply of material for scrap shipments already sold. Turkish steel mills responded to stronger steel demand by increasing their scrap purchases. In January, price increases were driven by the strong export market, particularly from the effects of November and December last year, and by domestic steel demand. Some steel producers reported relatively good production orders in January, bolstering hopes for future scrap needs. Others responded more cautiously to inquiries regarding their current and future production levels.



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Regional Developments

Steel mills in **northern** Germany generally closed January negotiations with a price increase of €10 per tonne. One buyer reportedly implemented higher price increases due to a catch-up effect from the previous month. This buyer's purchases from last year covered the combined months of November and December. In **eastern** regions, price increases were more varied and generally higher, ranging from €10-15 per tonne, albeit price increases for lower grades tended to be smaller. One mill re-entered the market after a long absence and showed demand for scrap. In **western** Germany, scrap prices initially rose by €5 per tonne. Market experts anticipate that a further scrap tender could see price increases of around €10 per tonne. In **southwestern** Germany, buyers implemented price increases of €10-15 per tonne. As the previous month's volume of turnings was limited due to storage difficulties, the inflow of turnings was rather slow to pick up. Along the **Saar** river higher price increases were recorded, reaching up to €20 per tonne. In contrast to the previous month, the **south** showed higher demand for scrap, particularly for industrial scrap, with price increases of up to €10 per tonne.

Neighbouring Foreign Markets

Demand for scrap on the **Luxembourg** market was not particularly high in December. Technical problems with aggregate equipment repeatedly delayed production. In January, buyers increased prices by €10-15 per tonne. Based on the November level, this amounted to an overall price increase of €20 per tonne. Scrap in **Austria** received varying prices. Steel mills added a premium of €10 per tonne for industrial scrap, whilst obsolete scrap fetched a slightly higher price increase of €12 per tonne. **Swiss** demand remained subdued, although scrap dealers were able to achieve price premiums of up to €15 per tonne, depending on the quality concerned.

In **Italy**, negotiations took place very early this month. Scrap prices increased by €5-15 per tonne. Market participants reported that the willingness to buy in central and northern Italy was more pronounced than in other regions, albeit purchased volume was moderate. Long steel producers showed a greater interest in buying and generally accepted price increases of between €10-15 per tonne. The price level in **Spain** for grade E1 and shredder scrap was similar to that in Italy, but for grade E3 it was around €10 per tonne higher. In general, steel producers in southern Spain paid €10 per tonne more for scrap than those situated in the north.

On the **Polish** market, material availability was low due to plummeting temperatures and other weather-related difficulties. In addition, the Ukrainian scrap export ban also led to reduced material inflow. Price increases were in the range of €10-20 per tonne. Some scrap yards are said to have even paid up to €25 per tonne. In the **Czech Republic**, scrap prices rose by the equivalent of €17 per tonne. However, the trading volume was limited. Scrap inflow is only handled by a few traders, mostly without a broad tender being issued. Steel mills are currently only showing low demand.

Global Scrap Market

Some market participants had already assumed in December that loading plans for February were half fulfilled. This already indicated a tight supply and relatively high scrap demand at the end of last year.

At the beginning of the new calendar year, Turkish steel producers corrected their prices for domestic scrap upwards, given the positive sentiment on the imported scrap market. The reasons for the price increase were mainly due to the steel mills' intention to purchase larger quantities of scrap from domestic traders in order to keep prices for imported scrap stable at the same time. Turkish steel mill demand for February shipment was high enough to keep scrap prices stable, despite continuing weak rebar demand.



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The mood on the Turkish steel market remained uncertain, although some steel mills in the flat steel segment showed slight gains. Prices for rebar briefly rose by up to US-\$40 per tonne in the last quarter of 2025 before returning to their initial level. Steel mills initially classified the replenishment of inventories at the beginning of the month as not urgent. They initially examined the turnover prospects for finished steel before entering into negotiations. Instead of accepting foreign scrap deliveries, some Turkish steel producers focused on alternative options. The Turkish billet manufacturer Kardemir opened domestic sales for one day, reportedly closing them again shortly afterwards after selling considerable quantities.

In India and Pakistan, scrap prices rose slightly in January. On the US domestic scrap market, there were price increases of US-\$30-35 per tonne, significantly exceeding the expectations of industry experts. This led to increased price offers from US exporters.

Foundry Market

Foundry market experts reported reduced capacity utilisation of around 50%. Scrap demand remained at a low level. There is discussion about how the carbon border adjustment mechanism for CO₂ emission will affect the foundry market. However, one thing is clear - the pressure on the industry remains. Scrap prices increased by €10 per tonne for non-index bound quantities.

Outlook

The initially expected high price increases did not materialise during January. Nevertheless, there were significant price increases of €10-15 per tonne. Increased logistic costs, such as in rail transport, but also rising fuel costs, are narrowing price margins further and creating increasing pressure. Market participants reported that some large European exporters are still processing received orders and continue to see material availability as a major challenge. Securing quantities remains a priority.

In February, industry experts are not expecting high demand for steel on important foreign steel markets, due to the upcoming Ramadan period in Turkey and the upcoming Chinese New Year celebrations. However, export market demand for scrap is already focusing on the launched purchasing campaign for the month of March. A relaxation of material availability in the scrap trade could be thwarted by a renewed, dynamic export demand.