# Extremely Low Water Levels Bring Freight Transport to a Standstill in Some Areas

**Scrap Metal Market Report – August 2026**
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## General Developments

The particularly pronounced drought throughout Germany, which is being attributed to climate change, is leading to increasingly sinking water levels on important inland waterways. The historically low water levels on the Rhine and Danube, in particular, are hindering inland navigation and forcing companies to shift transport from the waterways to overland. As a result, the German Federal Transport Minister, Steffen Bilger, announced subsidies for land-based transport. At a cross-traffic low-water coordination meeting on the Rhine, where the recycling industry was represented by bvse and CMA, State Secretary, Dr. Claudia Elif Stutz, pointed to the possibility of lifting the Sunday and public holiday HGV driving ban. In addition to the German federal states along the Rhine, other states such as Lower Saxony, Hamburg, Bremen, and Schleswig-Holstein also agreed to this measure. However, there was no comprehensive agreement across all federal states, which raises the question of how transit states should be treated.
In addition, discussions have taken place concerning heavy load transport to examine the temporary suspension of the indivisibility of cargo requirement for HGV transport up to 44 tons. A general increase to 44 tons is not possible due to the structural condition of some road bridges.
Bernhard Osburg, Chairman of the Management Board of DB Cargo, reported that 900 additional freight wagons had been found at short notice, of which around 300 would be available in the next 1-3 weeks, and 100 wagons at a later date. However, 500 freight wagons are no longer available during this drought period due to extensive overhaul work. The BGL (German Federal Association for Freight Transport, Logistics, and Waste Disposal) called for political reforms or at least special regulations specifically for pensioners or particular professional groups in order to re-activate them for road transport in the short term to address the current driver shortage.

For the joint press release on the low water level situation, please click here.

## Scrap Market

The scrap market in August was characterised by closely monitored water level reports for important inland waterways such as the Oder, the Rhine, and the Danube. The water level at Kaub on the Rhine, in particular, increasingly came into focus for German shipping traffic. Initially, there was talk of trebling or quadrupling freight costs, with ship loads sometimes only comprising of a half or a third of the usual loaded quantities.

This is happening at a time when the steel industry, with a significant production increase of 8.9% in the first half of 2026, should actually be contributing to a positive sentiment. However, this positive economic development is being severely hampered by the insecurity with regards to general supply. In some areas, low water levels are even bringing goods traffic to a complete standstill. The already scarce freight space on ships is coming under severe pressure. Scrap competes with various other goods for the limited freight space. Switching to rail and road transport is only partially feasible for well-known reasons. Furthermore, supply to refineries is also being disrupted. In the short term, this means increased petrol and diesel prices at the pumps.

Some steel producers with decent stock levels are slowly returning from their summer shutdowns, but some scrap traders are being forced to significantly reduced their purchases due to the low water situation.

Permitted quantities must be adhered to and monitored, as must the financing costs for the respective stock levels.

Overall, the scrap market was unchanged during August, showed only very little change, with slight reductions in price peaks in the range of an average of up to €5 tonne, albeit in some cases also beyond that.

## Regional Developments

In the **north**, prices remained unchanged compared to the previous month, however, some scrap consumes made more significant offered price reductions than in other parts of Germany. One steel mill reduced its offered prices by €5 - €10 per tonne, due to very good stock levels and to come in line with general market pricing. Another mill lowered prices by €5 per tonne. Steel manufacturers in the **east** generally concluded the current month at unchanged prices. One producer made slight downward price adjustments of up to -€4 per tonne. This mill reported high availability of industrial scrap. In the **west**, one mill reduced prices by €25 per tonne, realising the market price alignment announced in the previous month; however, this settlement should be considered separately and assessed as a price correction to come in line with market pricing this month. Another steel manufacturer did not require any additional purchase quantities during August. In the **southwest**, a sideways movement emerged. In some cases, slight downward price corrections up to -€5 per tonne were made. One consumer in the **south** of Germany is in its summer shutdown throughout August. Deliveries are only taking place to a limited extent and at unchanged price levels.

## Neighbouring Foreign Markets

**French** mills experienced a sideways price movement during August. In **Luxembourg**, scrap was also purchased at unchanged prices. In **Austria**, scrap prices decreased by varying degrees; industrial scrap closed with a minus of €10 per tonne, all other scrap grades with a minus of -€20 per tonne. The price level was higher last month and this month's price reductions were delayed corrective price adjustments. In **Switzerland**, mills reduced scrap prices by €5 - €15 per tonne.
**Italian** mills have planned their summer shutdowns during August and many mills did not even appear on the market. Consequently, demand quantities were low. Those mills still purchasing scrap reduced their offered prices by €5 per tonne. One steel mill is said to have pushed through price reductions of €10 per tonne for turnings (E5) and industrial scrap (E8). Steel mill purchasers in **Poland**, similarly to their **Czech** neighbours, purchased scrap at unchanged prices.

## Global Scrap Market

European exporters held firm on their offered prices in early August, their behaviour was supported by limited material availability and increased freight and logistics costs. Shipping in the Black Sea region is negatively impacted by recent drone attacks.

On the Asian market, the first price adjustment by the Japanese steel manufacturer, Tokyo Steel, marked the twelfth price reduction since 22nd May this year. In total, Japanese domestic scrap prices for HMS 2 decreased by US-$13 to US-$29 during this period, depending on regional availability and the mill concerned.

At the end of the first week in August, Turkish steel mills received a number of import offers, whilst, at the same time, they themselves attempted to push rebar prices upwards. Numerous deep-sea scrap offers came from the Baltics, Scandinavia and Continental Europe.

A significant setback for Turkish steel mills is the conflict in the Black Sea region. This is making loading from Russian cities located on the Black Sea, such as Novorossiysk and Tuapse, nigh on impossible. These ports are where billets, slabs and primary raw materials, such as pig iron and DRI, are predominantly loaded for Turkish customers.

The sharp increase in freight rates is attributable to the additional war risk premium. The insurer Russian National Reinsurance ceased war risk coverage for vessels operating in the Russian sector of the Black and Azov Seas as of 4th August. Following a series of attacks on Turkish merchant ships in the Black Sea, including the vessels "Yasar" and "Nadezhda," the Turkish Ministry of Foreign Affairs expressed concern about the increasing impact of the Russian-Ukrainian war on civilian shipping and called for urgent measures to ensure safety in this region.

## Foundry

In spring, foundries seemed to look to the future with more confidence. Now they seem to be looking at the market more modestly, as actual developments have now become apparent. The supply of scrap is likely to be varied; according to industry experts, cupola scrap is likely to be available in sufficient quantities, whilst industrial scrap – especially from the automotive sector – will be rarer. Some participants are already speculating that a mad scramble for punchings could be on the cards.

## Outlook

Rising freight and logistic costs will remain a hotly debated topic during September. Low water levels are unlikely to normalise as quickly as hoped. Increased transport costs weigh heavily on companies, thus bringing regionality in scrap supply to the fore. Some dealers are trying to throttle their scrap intake as they have no logistically feasible material outflow. Industry participants are speculating that limited permitted volumes and high financing costs will increasingly become an issue. Available offered quantities could put pressure on the September market. At the same time, the demand situation should be improving as scrap consumers end their summer shutdowns. The deciding factor will be, which situation will have the most impact on the market - a decent scrap supply or the increased demand and/or the difficult logistical supply of quantities; there was disagreement amongst dealers on this point.