Steel Scrap Market Rising at a Steady CAGR of 4.9% by 2033

Comprehensive Analysis of Steel Scrap Market: Growth Drivers, Market Restraints, and Key Player Strategies Revealed in Fact. MR's Latest Report

ROCKVILLE, MD, UNITED STATES, October 3, 2023 /EINPresswire.com/ -- In 2023, the steel scrap market size is worth 655 million metric tons, and it is anticipated to surge to 1,050 million metric tons by 2033. This growth is projected to occur at a consistent compound annual growth rate (CAGR) of 4.9% over the forecast period from 2023 to 2033.

The majority of recycled steel finds its way into the production of new steel. The steel industry's advancements have exerted a significant influence on the demand for steel scrap. Additionally, because scrap metal can be traded globally, economic conditions can have a substantial impact on demand trends and price fluctuations.

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The demand for scrap metal recycling is expected to surge in the upcoming years due to the rising need for raw materials in the steel manufacturing industry, driven by the rapid economic growth of countries like China, India, and Brazil. These emerging economies are increasingly prioritizing the use of recycled steel scrap to reduce their carbon footprint, thereby contributing to the growth of the market. One of the most pressing challenges confronting the global steel sector is the issue of global warming.

- The Indian government is actively committed to environmental improvement and sustainability promotion. In 2019, the Ministry of Steel released a policy on steel scrap recycling, outlining the prescribed practices for organized, secure, and environmentally-friendly processing of products

and steel recycling.
- According to the International Trade Administration, essential and optional steel producers used over 32 million metric tons of ferrous scrap in 2019, marking an 11.4% increase from the previous year.

Boosting the Demand for Steel Scrap through CO2 Emission Reduction

The demand for steel scrap is on the rise due to its significant role in reducing CO2 emissions and promoting the use of recycled steel in various industries. Additionally, the surge in automobile production is expected to drive a substantial demand for both steel and recycled steel scrap, particularly for use in automotive components.

Furthermore, the increasing number of end-of-life vehicles (ELVs) in countries like China is contributing to a growing volume of scrap materials. However, the global steel sector, especially in nations reliant on steel scrap imports to meet their domestic needs, is facing challenges as some countries impose restrictions on the export of steel scrap.

Profiles of Companies in the Market

- Baosteel Group Corporation
- EVRAZ North America
- BlueScope Steel Ltd.
- China Steel Corporation (CSC)
- Commercial Metals Company (CMS)
- Hyundai Motor Company
- CITIC Ltd.
- HBIS Group Co. Ltd.

The Volume of Metal Required to Support Steel Manufacturing

The volume of metallic resources necessary to sustain steel production plays a pivotal role in determining the choice between a basic oxygen furnace (BOF) and an electric arc furnace (EAF). It also depends on factors like the availability of domestic scrap, scrap demand, and influences the future utilization of scrap in the steel manufacturing process. The utilization of scrap in steel production varies significantly worldwide, influenced by the production methods employed in different regions and the accessibility of domestic scrap.

- In regions where EAF technology is extensively employed for crude steel production, the proportion of scrap relative to metallic input can be as high as 85%. While some markets opt for direct reduced iron (DRI) as their primary input, the global consumption of scrap remains relatively low.

Certain countries also benefit from affordable and convenient access to resources like natural gas, which impacts the quantity and quality of steel products consumed and, consequently, the extent to which scrap is utilized. Similarly, the availability of funds and capital costs not only determine the choice between BOF and EAF but also have a bearing on scrap utilization in the steel industry.

Insights by Country

Regional Growth Enhanced by Technological Innovations in the Automotive Sector

Currently, the United States stands at the forefront of steel scrap recycling in North America, and it is expected to maintain this prominent position in the coming decade. The surge in technological advancements within the automotive and construction industries is propelling the demand for steel scrap across the nation.

Iron and steel scrap serve as crucial raw materials for the manufacturing of new steel and cast-iron products. The retrieval of items no longer in use or needed, along with the swift availability of scrap from production processes, holds paramount significance in the scrap metal recycling sector of the United States. For over 150 years, the steel industry has been actively recycling steel scrap within the nation.

Export Restrictions on Steel Scrap

Despite its scarcity, steel scrap has been deemed a critical resource in numerous countries. Over 25 countries have implemented various restrictions on the export of steel scrap. These regulations vary from outright bans on steel scrap exports to imposing higher taxes on scrap shipments.

The market is expected to witness recurrent price hikes in steel scrap, growing demand for scrap alternatives, and elevated average steel scrap prices in light of the present circumstances.

Growing Global Demand for Home Furnishings

Steel finds extensive use in over 75% of household appliances and is increasingly becoming a prominent choice in the realm of home furnishings. This versatile material is now prevalent in the crafting of dining tables, chairs, robust home office equipment, and metal beds, owing to its exceptional strength, flexibility, and resistance to corrosion.

Moreover, steel plays a pivotal role in architectural elements, such as room dividers, staircases, steel light fixtures, and tables, contributing to modern aesthetics and functionality. The sleek, contemporary texture of steel floors can withstand substantial foot traffic, making it a preferred choice for many. Consequently, steel scrap is now being widely repurposed to manufacture home appliances on a global scale.

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Competitive Landscape

The global steel scrap market has witnessed a surge in mergers and acquisitions, with key industry players strategically investing in innovative small businesses with advanced technologies, well-established operational processes, and strong regional market presence.

- One notable acquisition occurred in May 2022 when Wieland Ulm acquired Totall Metal Recycling.
- Furthermore, in May 2019, Nucor Corporation announced substantial investments in expanding the vacuum degassing capacity at its Darlington, South Carolina bar mill. This enhancement enabled the mill to manufacture customized bar products that meet the industry's most rigorous quality standards.

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Steel Pipe Coatings Market: The global steel pipe coatings market is estimated to be valued at US$ 8.8 billion in 2023 and it is expected to grow at a CAGR of 4.7% to reach US$ 14.0 billion by the end of 2033.

High Speed Steel Market: The global high speed steel market is projected to expand at a CAGR of close to 7% throughout the assessment period of 2021 to 2031, and cross a valuation of US$ 4.5 Bn in 2031.

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