Mid-Year Update

2026

Industrial Manufacturing

Surplus Asset Market Trends

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LIQUIDITY SERVICES

The Mid-Year Scorecard

In January, Liquidity Services published the 2026 Industrial Manufacturing Surplus Asset Market Trends Report, describing a sector being rebuilt in real time. Industry 4.0 adoption, AI, digital twins, reshoring, and persistent labor shortages were converging to push a historic wave of high-quality legacy equipment onto the surplus market while creating premium demand for automation-ready assets.

Six months later, the data is in. Most of the January forecast has held. Machine tool orders are surging, the split between connected and legacy equipment values has hardened, and reshoring continues to turn over production assets across North America. But the picture is more segmented than a single "surplus wave" suggests, and a variable nobody priced into the forecast entered the equation. The U.S.-Iran war reset freight, energy, and insurance costs in every region we track. A ceasefire signed in mid-June is now reopening the Strait of Hormuz, but the cost effects will take months to unwind, and the framework behind the truce is still provisional.
Here's the mid-year scorecard, followed by a regional look at the four categories where industrial surplus activity is concentrating in 2026: metal parts, process chemicals, automation tools, and aerospace MRO equipment.

What January's forecast got right, what's changed, and where the value is moving in the second half of 2026

What Our January Forecast Got Right

Digital transformation is creating legacy surplus at scale. The January report's central claim was that AI, digital twins, and smart factory upgrades are rendering analog machinery obsolete and sending large volumes of high-quality, non-connected equipment to the surplus market. The data backs it. 76% of industrial manufacturers are adopting advanced technologies like AI, and smart factories are achieving 10-20% production gains and up to 35% cost reductions through predictive analytics and digital twins (Hawk, 2026). The investment side confirms the displacement effect: U.S. new orders for metalworking machinery rose 10.7% in February 2026 over January and 27.4% over February 2025, with March orders up another 40.3% month over month (Chidzik, 2026; American Machinist, 2026). Every new automation-capable machine displaces a legacy unit, and many of those units are headed to the secondary market.

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The two-tier market is real and hardening. January predicted premium values for automation-ready, digitally integrated assets and discounts for non-connectable legacy equipment, a pattern Liquidity Services tracks across automotive, biopharma, FMCG, and industrial manufacturing (Liquidity Services, 2026b). Mid-year forecasts support it. 2026 is the first year of renewed growth momentum in industrial automation after two flat years, and the International Federation of Robotics expects new industrial robot installations to rise in 2026, with potential growth of 6-7% annually through 2030 (Xu et al., 2026). Demand is concentrating on modern, connected systems while older, single-purpose equipment trades at widening discounts.

Reshoring is driving asset turnover. The report's claim that 69% of mid-market manufacturers are bringing supply chains home has been reinforced by tariffs near 20% since Q3 2025 and strong reshoring tailwinds in metal fabrication and machine shops (Zipursky, 2026). As production comes home, older facilities are consolidated or retooled, and their legacy lines enter the surplus market. That's exactly the pattern January predicted.

Idle equipment is still a wasting asset. The pace of AI adoption and digitalization keeps shortening the useful life of equipment and raising the risk of rapid obsolescence for legacy assets. The January warning stands: for owners of older, non-smart equipment, the value window is open now and narrowing.

Where the January Forecast Requires Revision

The surplus surge is segmented rather than uniform. January implied a broad surge across all industrial categories. The reality is more selective. Precision metal parts, machine shops, and robotics-adjacent sectors are seeing strong demand and firm pricing for modern, flexible equipment (Zipursky, 2026). Construction equipment and some heavy industrial segments show price weakness, while transportation and parts of metal fabrication show strength (Liquidity Services, 2026a; Liquidity Services, 2026b). High-spec, reconfigurable assets are scarce. Single-purpose legacy lines are what's actually accumulating as surplus. Sellers should read this as good news: the right asset, marketed to the right buyers, faces less competition than the headline narrative implies.

Capital discipline hasn't stopped modernization spending. January emphasized capital constraints, with high interest rates and tariffs throttling new-equipment spending and pushing manufacturers toward surplus purchases (Liquidity Services, 2026a). Capital discipline is real, but it hasn't choked off investment. U.S. machine tool orders are growing strongly, and the global metal fabrication equipment market is projected to grow at roughly 3.9% annually, with North America benefiting from reshoring (American Machinist, 2026; Fortune Business Insights, 2026a). Capital is flowing into modernization and new automation, not only into surplus purchases driven by financing constraints. The surplus market's role is shifting from budget alternative to speed-and-availability play.

The geographic AI gap is real but narrower than implied. January cited Asia-Pacific's 45% GenAI adoption at mid-to-high maturity and a large European lag, implying strong cross-regional arbitrage. The U.S. and APAC do lead, but Europe's automation market is still growing, with cautious optimism for 2026 (Xu et al., 2026). Europe isn't simply a receiver of surplus. It's also a source of high-quality, reconfigurable surplus generated by its own restructuring.

The Regional View: Where Surplus Is Moving

Four categories account for the most consistent industrial surplus activity in 2026: precision metal parts and stamping, metal-treatment and process chemicals, automation tools, and aerospace MRO equipment. Here's how each is moving by region.

North America

Metal parts. Reshoring is the dominant force. Machine shops and fastener production have reached $436.7 billion, with demand for precision rising on the back of robotics growth (Zipursky, 2026). New U.S. heavy-machinery component facilities, including John Deere's February 2026 announcements, are driving retooling that retires older stamping presses and CNC lines (Future Market Insights, 2026; Zipursky, 2026). Buyers want flexible, reconfigurable CNC and stamping equipment that can handle both legacy and EV-related parts. Older single-purpose lines are the ones being sold.

Process chemicals. The metal-treatment chemical market is growing due to demand for electroplating, passivation, and cleaning chemistries tied to metal parts production and automation (Fortune Business Insights, 2026b). As plants move to automated, closed-loop treatment systems, older batch-type chemical tanks, mixing systems, and treatment lines are coming to market as surplus.

Automation tools. Industrial automation is entering a growth phase, driving strong demand for newer robots, AI-ready PLCs, and connected sensors, as well as a steady surplus of older PLCs, non-connected robots, and standalone cells being retired in favor of modular, reprogrammable systems (Xu et al., 2026).

Aerospace. MRO operations are adopting digitalization, predictive analytics, and AR-assisted maintenance, with lightweight and sustainable materials becoming standard (Aerospheres, 2026). As firms upgrade test rigs, composite-fabrication tooling, and digital maintenance systems, older manual test equipment and legacy composite tooling are moving to the surplus market.

EMEA

Metal parts. Europe's metal fabrication sector faces near-term pressure from falling steel prices and seasonal demand dips, but the longer-term outlook is positive, with the global metal fabrication market projected to grow at 5.6% annually and spring and wire products gaining on EV and construction demand (Zipursky, 2026). Retooling for EV components, robotics, and lightweight structures is retiring older presses and CNC machines, producing a steady stream of surplus metal parts equipment.

Process chemicals. EMEA chemical producers are under earnings pressure from oversupply, but demand for metal treatment remains tied to fabrication and automation upgrades (Hsu, Huang, and Chen, 2026). Stricter EU environmental regulations are accelerating the move to automated, compliant treatment systems and the retirement of older batch-type tanks and treatment lines (Fortune Business Insights, 2026b).

Automation tools. Automation growth in Europe will likely trail North America, but adoption continues. As manufacturers implement Industry 4.0 and robotics, they're selling older, non-connected robots and PLCs and buying modular, reprogrammable cells, supporting a firm secondary market for high-spec automation gear (Xu et al., 2026).

Aerospace. Europe's aerospace MRO sector follows the global pattern in lightweight materials, digital maintenance, and predictive analytics (Aerospheres, 2026). Upgrades to digital maintenance systems and newer composite tooling are pushing legacy test equipment to market, particularly in Western Europe.

APAC

Metal parts. Asia-Pacific leads global growth in metal fabrication, driven by rapid industrialization (Zipursky, 2026). Upgrades to automated, high-precision lines for robotics, EV components, and consumer electronics are retiring older stamping presses and CNC machines, creating a large pool of surplus metal parts equipment for regional and export buyers.

Process chemicals. APAC's chemical sector faces ongoing oversupply strain, but treatment chemistry demand tracks the fabrication upgrade cycle (Hsu, Huang, and Chen, 2026). Older batch-type tanks and treatment lines are being retired and sold as surplus across China, India, and Southeast Asia (Fortune Business Insights, 2026b).

Automation tools. APAC leads the world in GenAI adoption, with 45% of businesses at mid-to-high maturity (Pertama Partners, 2026), and that leadership is pulling demand toward AI-ready, modular automation integrated with digital twins. The result is a robust secondary market, with manufacturers selling non-connected robots and PLCs to fund the upgrade (Xu et al., 2026).

Aerospace. Aerospace MRO upgrades in China, Japan, and Singapore are following the same digitalization track, moving older manual test equipment and legacy composite tooling into surplus channels (Aerospheres, 2026).

The Geopolitical Wildcard: Conflict in the Gulf

The 2026 U.S.-Iran war and the closure of the Strait of Hormuz hit industrial surplus markets through three channels: energy costs, freight costs, and insurance. The picture shifted in mid-June. The two sides electronically signed a memorandum of understanding to end hostilities and reopen the strait, with a formal signing set for June 19 (Al Jazeera, 2026; Axios, 2026). The cost effects don't reverse on signing day. Mine clearance, infrastructure repair, and security guarantees come first, and analysts expect the energy crisis the closure triggered to take months to ease (PBS News, 2026). The framework is also not a final settlement. It opens a 60-day negotiating window, and points of friction remain (Axios, 2026).

North America. Higher energy, freight, and Gulf insurance costs pressured operating budgets at metal parts and chemical plants through the spring (Oxford College of Procurement and Supply, 2026; Assefa, 2026). The mid-June ceasefire should ease that pressure over time, but normalization will be gradual, not immediate (PBS News, 2026). Energy price volatility may also reaccelerate investment in renewables, which would drive further optimization and retirement of energy-inefficient legacy lines, lifting surplus supply in metal fabrication and chemical treatment. The war didn't trigger wholesale relocation of U.S. industrial capital spending, but it reinforced the case for refurbishment and local surplus purchases over new greenfield builds, and the lingering cost effects keep that case intact.

UK and EU. Rising energy and supply chain costs pushed some chemical and steel producers to impose surcharges of up to 30% (Oxford College of Procurement and Supply, 2026), and major ocean carriers added fuel and conflict-related surcharges across trade lanes (Supply Chain Dive, 2026). Higher energy and vessel insurance costs squeezed energy-intensive metal fabrication and chemical plants, prompting some operators to retire or lease out older equipment. Shipping reroutes around Africa extended transit times and fuel costs, making local secondary equipment markets more attractive than imported new machinery. The mid-June ceasefire and the planned reopening of Hormuz should relieve some of this, but European leaders have stressed that restoring normal shipping traffic will take coordinated effort and time (Al Jazeera, 2026), so the cost advantage for local surplus persists in the near term.

APAC. Hormuz-linked energy and freight spikes raised industrial input and shipping costs through the spring, encouraging manufacturers to reuse and requalify legacy equipment rather than commit to new greenfield-style builds (Assefa, 2026; Oxford College of Procurement and Supply, 2026). The strait handled roughly 20% of global oil and LNG before the war, so its reopening under the ceasefire matters most to this region, though full pre-war shipping volumes are expected to return only over the coming months (PBS News, 2026). At the same time, self-sufficiency initiatives in key APAC markets are channeling more surplus metal-parts, chemical, and automation equipment into local secondary markets, helping high-spec reconfigurable assets hold value (Zipursky, 2026).

The throughline holds even with the ceasefire in place. The cost pressure the war created favors the secondary market, and it unwinds slowly. As long as new equipment still means longer lead times, higher freight, and elevated insurance, proven local surplus assets win on speed and total cost.

What the Marketplace Data Shows

Liquidity Services' results support the trend lines above. In the second quarter of fiscal 2026, gross merchandise volume rose 6% to $389.9 million, and revenue rose 4% to $120.7 million, with adjusted EBITDA up 37%, reflecting strong operating leverage across the marketplace model (Liquidity Services, 2026c). Registered buyers reached approximately 6.3 million at quarter's end, an 8% year-over-year increase. Within the Capital Assets Group (CAG), GMV grew 3%, and segment revenue and direct profit each rose 12%, driven by transaction mix and timing. Industrial results remain tied, as always, to lumpy project cycles: plant closures, CAPEX timing, and surplus disposition schedules.

Our marketplace data shows a clear contraction-and-recovery pattern in the industrial subsegment. Both bidder activity and seller participation declined in FY25 relative to FY24 and recovered in FY26. The sharpest decline came in Q2 FY25, when bids fell 43.8%. Q2 FY26 saw a 49.8% rebound, and seller participation followed the same pattern.

Two takeaways. First, demand for used equipment is rising and should continue to rise as geopolitical disruptions work through global supply chains. The June ceasefire eases Gulf pressure going forward, but the supply-chain effects already in motion take months to clear (PBS News, 2026), so the demand tailwind carries into the second half. Second, a growing buyer base competing against tighter seller inventories creates favorable conditions for sellers to achieve premium valuations on high-demand asset categories. As stamping presses, CNC lines, batch chemical-treatment systems, and aerospace MRO tools face inevitable digitalization and automation upgrades, Liquidity Services is positioned to capture higher-value, repeat flows from these sectors by deepening seller relationships and improving buyer liquidity for complex asset categories.

What This Means for Your Business

For sellers. The mid-year data sharpens January's message rather than softening it. The premium is concentrated in flexible, reconfigurable, automation-adjacent assets, and buyer competition for them is up while seller inventories are tight. If you're holding surplus from a retooling, consolidation, or process upgrade, the second half of 2026 is a seller's window. Idle equipment isn't appreciating while you decide.

For buyers. The war changed the math on new equipment due to freight, insurance, and lead-time pressures, and the ceasefire won't reset it overnight (PBS News, 2026). Proven surplus assets, available locally and immediately, still compete on speed and total cost, not just price. The strongest opportunities lie in the categories sellers are upgrading out of: stamping presses, CNC machines, batch chemical treatment systems, older automation cells, and aerospace MRO tooling.

The Bottom Line

The core thesis of the 2026 Industrial Manufacturing Surplus Asset Market Trends Report holds. Digital transformation is turning over industrial assets at an historic scale, and the surplus market is where that turnover converts to capital. What's changed is precision. The opportunity isn't a uniform flood. It's a segmented market where flexible, high-spec assets command premiums, legacy single-purpose equipment needs to move before its value window closes, and geopolitical cost pressure pushes both buyers and sellers toward the secondary market.

Disclaimer: *The information in this report, including all references to oil prices, the status of the U.S.-Iran conflict, and related market conditions, was accurate as of June 17, 2026. The situation in Iran and the broader Middle East remains fluid. Details regarding the ceasefire framework, the Strait of Hormuz, sanctions, and any related agreements may change after publication. Readers should verify current conditions. Liquidity Services makes no representation that the information will remain accurate after the date noted above.*

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Liquidity Services partners with over 15,000 clients, including 130+ Fortune 1000 companies, to sell their surplus equipment. The company maintains a robust database of over 6.3 million registered buyers, and executes over one million transactions annually across 100+ countries. With over $15 billion in completed online transactions, Liquidity Services has cemented its market strength through a steadfast focus on compliance, extensive global reach, and dedicated client support.

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You have surplus. We have solutions.
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