

Analysis of U.S. Fastener Trade with China in 2019

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Introduction

The China–USA trade war is an ongoing economic conflict between the world’s two largest national economies, China and the United States. President Donald Trump in 2018 began setting tariffs and other trade barriers on China with the goal of forcing it to make changes to what the U.S. says are "unfair trade practices".¹ Among those trade practices and their effects are the growing trade deficit, the theft of intellectual property, and the forced transfer of American technology to China.²

So, this conflict has continued till now and in this study I want to study the effect of it in their fastener trade.

HS Code 731815

This HS code includes threaded screws and bolts, of iron or steel, whether or not with their nuts and washers.

Table 1 shows U.S. power in fastener export in HS Code 731815, which is clear that U.S. producers exported around 2.1 billion USD worth of fasteners in this category to the world from Q4 2018 through Q3 2019. On the other hand, in the same HS code, the export value of China to the world was about 3.1 billion USD.

Table 1. U.S. and China’s Fastener Exports to the World in HS 731815 from Q4 2018 to Q3 2019

(Unit: 1,000 USD)

U.S. Exports to World			
Q4 2018	Q1 2019	Q2 2019	Q3 2019
500,885	527,500	511,908	514,343
China's Exports to World			
Q4 2018	Q1 2019	Q2 2019	Q3 2019
810,686	677,884	802,169	774,245

The export value of China was around 149% bigger than that of the U.S. In this sector, the U.S. is a dependent market, because the ratio of its export to import is around 77.7%. (See **Tables 1-2**)

Table 2. U.S. and China’s Fastener Imports from the World in HS 731815 from Q4 2018 to Q3 2019

(Unit: 1,000 USD)

U.S. Imports from the World			
Q4 2018	Q1 2019	Q2 2019	Q3 2019
702,320	648,711	665,678	634,298
China's Imports from the World			
Q4 2018	Q1 2019	Q2 2019	Q3 2019
351,489	323,567	326,778	341,436

However, China is an independent market in this sector, because its ratio of export to import is around 228.1%. (See **Tables 1-2**)



The ratios of exports to imports between these two countries are shown in **Table 3**.

Table 3. Fastener Trade Between the U.S. and China in HS 731815 from Q4 2018 to Q3 2019

(Unit: 1,000 USD)

China's Exports to USA			
Q4 2018	Q1 2019	Q2 2019	Q3 2019
176,413	109,196	125,583	114,695
China's Imports from USA			
Q4 2018	Q1 2019	Q2 2019	Q3 2019
34,976	36,402	36,272	33,454
China's Exports / China's Imports			
504%	300%	346%	343%

The U.S. is a market dependent on Chinese fasteners, because its imported fasteners from China was 5 times higher than its exported fasteners to China in the last quarter of 2018.

Based on the US-China economic war, the U.S. decreased its import from China, so the ratio of China’s exports to USA to China’s imports from USA (i.e., U.S. market dependency on Chinese fasteners) was modified to 300% in the first quarter of 2019.

In the 2nd and 3rd quarters of 2019, the ratio increased a little bit (around 45%), which seems that the other countries couldn’t satisfy U.S. consumers.



HS Code 731816

This HS code includes nuts of iron or steel.

Table 4 shows U.S. power in fastener export in HS Code 731816, which is clear that U.S. producers exported more than 690 million USD of fasteners in this category to the world from Q4 2018 to Q3 2019. On the other hand, in the same HS code, the export value of China to the world was about 1.2 billion USD.

Table 4. U.S. and China's Fastener Exports to the World in HS 731816 from Q4 2018 to Q3 2019

(Unit: 1,000 USD)

U.S. Exports to the World			
Q4 2018	Q1 2019	Q2 2019	Q3 2019
166,121	170,915	175,186	177,895
China's Exports to the World			
Q4 2018	Q1 2019	Q2 2019	Q3 2019
310,872	253,926	306,019	288,398

China's export was 168% higher than U.S. export. In this sector, the U.S. is a dependent market because the ratio of its export to import was around 53.0%. (See **Tables 4-5**)

Table 5. U.S. and China's Fastener Imports from the World in HS 731816 from Q4 2018 to Q3 2019

(Unit: 1,000 USD)

U.S. Imports from the World			
Q4 2018	Q1 2019	Q2 2019	Q3 2019
341,991	324,388	327,409	310,181
China's Imports from the World			
Q4 2018	Q1 2019	Q2 2019	Q3 2019
150,365	131,320	131,675	135,426

China is an independent market in this sector, because its ratio of export to import is around 211.4%. (See **Tables 4-5**)

The ratios of exports to imports between these two countries are shown in **Table 6**.

Table 6. Fastener Trade Between the U.S. and China in HS 731816 from Q4 2018 to Q3 2019

(Unit: 1,000 USD)

China's Exports to USA			
Q4 2018	Q1 2019	Q2 2019	Q3 2019
77,834	58,480	66,816	57,389
China's Imports from USA			
Q4 2018	Q1 2019	Q2 2019	Q 3 2019
19,269	21,481	21,304	19,631
China's Exports / China's Imports			
404%	272%	314%	292%

U.S. is a market dependent on Chinese fasteners, because its imported fasteners from China was 4 times higher than its exported fasteners to China in the last quarter of 2018.

The same as the previous sector, the U.S. decreased its import from China, so the ratio of China's exports to USA to China's imports from USA (i.e., U.S. market dependency on Chinese fasteners) was modified to 272% in the first quarter of 2019.

In the 2nd quarter of 2019, the ratio increased a little bit (around 42%), which seems that the other countries couldn't satisfy U.S. consumers.

However, in the 3rd quarters of 2019, the ratio decreased a little bit (around 25%), which can be interpreted to the fact that U.S. consumers found their desired fastener producers in the other countries.

HS Code 731822

This HS code includes washers of iron or steel (excluding spring washers and other lock washers).

Table 7 shows U.S. power in fastener export in HS Code 731822, which is clear that U.S. producers exported more than 2.65 billion USD worth of fasteners in this category to the world from Q4 2018 through Q3 2019. On the other hand, in the same HS Code, the export value of China to the world was about 4.14 billion USD.

Table 7. U.S. and China's Fastener Exports to the World in HS 731822 from Q4 2018 to Q3 2019

(Unit: 1,000 USD)

U.S. Exports to the World			
Q4 2018	Q1 2019	Q2 2019	Q3 2019
63,983	70,300	68,176	63,027
China's Exports to the World			
Q4 2018	Q1 2019	Q2 2019	Q3 2019
108,547	92,374	106,081	107,069

China's export was 157% higher than U.S. export. In this sector, the U.S. is a dependent market because the ratio of its export to import was around 88.0%. (See **Tables 7-8**)

Table 8. U.S. and China's Fastener Imports from the World in HS 731822 from Q4 2018 to Q3 2019

(Unit: 1,000 USD)

U.S. Imports from the World			
Q4 2018	Q1 2019	Q2 2019	Q3 2019
83,027	72,826	74,374	73,164
China's Imports from the World			
Q4 2018	Q1 2019	Q2 2019	Q3 2019
63,271	61,347	64,757	67,490

China is an independent market in this sector, because its ratio of export to import is around 161.1%

The ratios of exports to imports between these two countries are shown in **Table 9**.



Table 9. Fastener Trade Between the U.S. and China in HS 731822 from Q4 2018 to Q3 2019

(Unit: 1,000 USD)

China's Exports to USA			
Q4 2018	Q1 2019	Q2 2019	Q3 2019
27,810	16,468	20,406	21,663
China's Imports from USA			
Q4 2018	Q1 2019	Q2 2019	Q3 2019
9,428	10,331	10,861	10,739
China's Exports / China's Imports			
295%	159%	188%	202%

The U.S. is a market dependent on Chinese fasteners, because its imported fasteners from China was 3 times higher than its exported fasteners to China in the last quarter of 2018.

The same goes for the previous sector when the U.S. decreased its import from China, so the ratio of China's exports to USA to China's imports from USA (i.e., U.S. market dependency to Chinese fasteners) was modified to 159% in the first quarter of 2019.

In the 2nd quarter of 2019, this ratio increased a little bit (around 29%), which seems that the other countries couldn't satisfy US consumers. However, in the 3rd quarters of 2019, the ratio decreased a little bit (around 14%).

The Rest of HS Code 7318 Subcategories

Table 10 shows U.S. power in fastener export in the rest of HS Code 7318 subcategories, which is clear that U.S. producers exported nearly 1.4 billion USD worth of fasteners in these categories to the world. On the other hand, in the same HS codes, the export value of China to the world was about 1.8 billion USD.

Table 10. U.S. and China's Fastener Exports to the World in Other HS 7318 Subcategories from Q4 2018 to Q3 2019

(Unit: 1,000 USD)

U.S. Exports to the World			
Q4 2018	Q1 2019	Q2 2019	Q3 2019
324,753	352,022	356,141	338,500
China's Exports to the World			
Q4 2018	Q1 2019	Q2 2019	Q3 2019
471,785	399,186	463,568	452,916

China's export was 131% higher than U.S. export. In this sector, the U.S. is a dependent market because the ratio of its export to import was around 74.0%. (See Tables 10-11)

[Endnotes]

- Swanson, Ana [July 5, 2018]. "Trump's Trade War With China Is Officially Underway". The New York Times. Retrieved May 26, 2019.
- ^ "Findings of the Investigation into China's Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation Under Section 301 of the Trade Act of 1974", Office of the U.S. Trade Representative, March 22, 2018

Table 11. U.S. and China's Fastener Imports from the World in Other HS 7318 Subcategories from Q4 2018 to Q3 2019

(Unit: 1,000 USD)

U.S. Imports from the World			
Q4 2018	Q1 2019	Q2 2019	Q3 2019
467,473	462,016	455,429	469,401
China's Imports from the World			
Q4 2018	Q1 2019	Q2 2019	Q3 2019
168,714	158,819	170,093	173,086

China is an independent market in this sector, because its ratio of export to import was around 266.3%. (See Tables 10-11)

The ratios of China's exports to USA to China's imports from USA between these two countries are shown in Table 12.

Table 12. Fastener Trade Between the U.S. and China in Other HS 7318 Subcategories from Q4 2018 to Q3 2019

(Unit: 1,000 USD)

China's Exports to USA			
Q4 2018	Q1 2019	Q2 2019	Q3 2019
89,227	59,133	65,976	59,331
China's Imports from USA			
Q4 2018	Q1 2019	Q2 2019	Q3 2019
22,128	21,428	26,464	22,831
China's Exports / China's Imports			
403%	276%	249%	260%

U.S. market is a market dependent on Chinese fasteners, because its imported fasteners from China was 4 times higher than its exported fasteners to China in the last quarter of 2018.

The same goes for the previous sector when the U.S. decreased its import from China, so the ratio of China's exports to USA to China's imports from USA (i.e., U.S. market dependency on Chinese fasteners) was modified to 127% in the first quarter of 2019.

In the 2nd quarter of 2019, the ratio decreased again a little bit (around 27%). However, in the 3rd quarters of 2019, the ratio increased a little bit (around 11%).

Last Word

Although the above statistics show that the U.S. is a market dependent on Chinese fastener producers, in the economic war, both sides hit each other. China lost its market, while the U.S. could not find an acceptable supplier. So, who will suffer more in the future? Chinese producers losing a huge market or U.S. consumers who could not find a supplier providing reasonable quality and good prices? Time will tell. ▣

