

A Quick Glance at EU's Fastener Import and Export with China



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Introduction

The EU and China are two of the biggest traders in the world. China is now the EU's second-biggest trading partner behind the United States and the EU is China's biggest trading partner. The tariff dispute between the U.S. and China has already seen a dozen rounds of high-level talks between the protagonists and left Chinese officials too busy to meet their counterparts in Brussels.

In the following essay, I will study the effect of these political issues between China and the U.S. in the fastener business between EU and China.

China's Export

The value of China's annual fastener export is about 6.5 billion USD and consumers in the EU bought about 16% of its total export on average in a year. The value of the EU market is about 1.04 billion USD for Chinese suppliers.

Statistics of the EU's Fastener Import from China (Q4 2017-Q3 2019)								
Import Value (Unit: 1,000 USD)	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019
World	1,441,143	1,335,417	1,706,511	1,710,073	1,702,175	1,423,370	1,677,835	1,622,629
The EU	224,504	206,775	279,553	279,311	271,017	238,273	305,811	269,003
The EU's share in China's export	15.6%	15.5%	16.4%	16.3%	15.9%	16.7%	18.2%	16.6%
Compared to the EU's quarterly fastener import					20.7%	15.2%	9.4%	-3.7%

The above table shows the value of fasteners the EU imported from China. However, the value of the EU's fastener import decreased in the 3rd quarter of 2019 in comparison with the 3rd quarter of 2018.

The main EU importers are

- **Germany**- Its market size is 68.3 million USD and it represents 26.8% of the EU's fastener import from China.
- **UK and Italy**- Both are ranked the 2nd biggest fastener importer from China. The market size of UK is 37.5 million USD and the market size of Italy is 37.2 million USD. The share of UK in the EU is 14.5% and that of Italy is 14.4%.
- **Netherlands**- It is the 3rd biggest market in the EU for Chinese fasteners and its market size is 33 million USD (12.6% of the EU's fastener import from China).
- **Spain**- It is the 4th biggest market and its market size is 23.7 million USD. It represents about 9.1% of the EU's total fastener import from China.
- **France**- It is the 5th biggest market in the EU for Chinese fasteners, representing 6.2% of the EU's total fastener import from China.
- **Belgium**- It is the 6th biggest market in the EU for Chinese fasteners, representing 4.8% of the EU's total fastener import from China.
- **Sweden**- It is the 7th biggest market in the EU for Chinese fasteners, representing 3.5% of the EU's total fastener import from China.

The details are mentioned in the following table.

Import from China (Unit: 1,000 USD)	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019
Germany	59,373	54,784	73,652	76,308	72,795	64,374	75,404	69,697
UK	32,814	27,902	39,266	39,434	39,299	38,325	41,643	40,884
Italy	31,571	32,043	40,762	42,013	40,952	31,100	39,749	39,290
Netherlands	28,524	23,753	33,190	34,909	35,213	24,712	55,164	28,391
Spain	20,357	18,601	25,153	26,549	22,984	22,277	26,984	26,635
France	13,448	13,806	20,431	15,586	14,984	14,107	19,840	16,555
Belgium	12,465	10,457	12,238	11,143	15,479	12,504	12,506	11,815
Sweden	6,581	7,039	9,290	9,776	9,790	9,302	11,756	10,189



China's Import

The value of China's fastener import is 3.3 billion USD, 1.03 billion USD of which is contributed by imports from the EU. The EU represents about 32% of China's total fastener import.

- **Germany**- It is the main fastener exporter to China in the EU and its fastener export value is about 604 million USD, representing 62% of the EU's total fastener export to China.
- **Italy**- It is ranked in the 2nd place and its fastener export value is about 130.8 million USD (around 13% of the EU's total fastener export to China).
- **France**- It is placed as the 3rd biggest European fastener exporter to China and its fastener export value is about 90.4 million USD (9% of the EU's fastener export to China).
- **UK**- It is the 4th biggest fastener exporter to China in the EU, representing 6% of the EU's total fastener export to China.
- **Sweden**- It is the 5th biggest fastener exporter to China in the EU, representing 3% of the EU's total fastener export to China.

The details are mentioned in the following table.

Export to China (Unit: 1,000 USD)	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019
World	836,894	778,246	853,041	855,543	733,840	675,054	693,304	717,440
The EU	257,148	256,796	280,646	276,866	222,655	225,199	216,079	225,966
Germany	152,759	157,061	166,447	170,751	137,187	144,793	136,502	141,622
Italy	34,011	33,818	38,462	38,405	29,655	31,284	28,018	28,278
France	29,283	26,692	24,158	24,195	21,195	18,114	17,834	19,129
UK	15,352	13,875	17,931	15,532	12,195	11,708	12,515	12,895
Spain	10,392	9,420	11,522	9,842	6,788	5,326	5,254	6,440
Sweden	4,893	5,683	6,983	6,772	5,705	4,691	4,652	5,635

Main Business Partners with China

1- Germany (China's 1st biggest partner in the fastener sector)

The business value of Germany-China in the fastener sector is about 211 million USD per quarter. The following table shows a bubble in the 2nd and 3rd quarters of 2018, in which the numbers increased about 25%. Such a bubble came from the effect of US-China trade war. However, the bubble later popped due to the disagreement between the EU and China about the WTO rules.

Trade Value (Unit: 1,000 USD)		Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019
Germany	Import from China	59,373	54,784	73,652	76,308	72,795	64,374	75,404	69,697
	Export to China	152,759	157,061	166,447	170,751	137,187	144,793	136,502	141,622
	Total trade	212,132	211,845	240,099	247,059	209,982	209,167	211,906	211,319

2- Italy (China's 2nd biggest partner in the fastener sector)

The business value of Italy-China in the fastener sector is about 66 million USD per quarter. The following table shows a bubble in the 2nd and 3rd quarters of 2018, in which the numbers increased about 25%, as observed in Germany.

Trade Value (Unit: 1,000 USD)		Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019
Italy	Import from China	31,571	32,043	40,762	42,013	40,952	31,100	39,749	39,290
	Export to China	34,011	33,818	38,462	38,405	29,655	31,284	28,018	28,278
	Total trade	65,582	65,861	79,224	80,418	70,607	62,384	67,767	67,568

3- UK (China's 3rd biggest partner in the fastener sector)

The business value of UK-China in the fastener sector was less than 50 million USD before Q1 2018. However, the US-China trade war also affected the trade between UK and China. The fastener trade value increased 40% in the 2nd quarter of 2018.

Trade Value (Unit: 1,000 USD)		Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019
UK	Import from China	32,814	27,902	39,266	39,434	39,299	38,325	41,643	40,884
	Export to China	15,352	13,875	17,931	15,532	12,195	11,708	12,515	12,895
	Total trade	48,166	41,777	57,197	54,966	51,494	50,033	54,158	53,779

Although the numbers decreased about 5% in the next quarters, it could still keep the fastener trade above the level of 50 million USD, which could be due to the effect of Brexit forming a gap between the EU's and UK's policies, keeping UK closer to China. □

