

# Interview with Global Fastener Association Presidents

  <p><b>EFDA</b> European Fastener Distributors Association president Dr. Volker Lederer</p>	  <p><b>NFDA</b> U.S. National Fastener Distributors Association president Adam Derry</p>	  <p><b>TFTA</b> Taiwan Fastener Trading Association chairman Josh Chen</p>	  <p><b>FAI</b> Fastener Association of India president Abhijat Sanghvi</p>
  <p><b>FIJ</b> The Fastener Institute of Japan Executive Director Yoshikazu Oiso</p>	  <p><b>KFFIC</b> Korea Federation of Fastener Industry Cooperatives chairman Hansung Jung</p>	  <p><b>NEVIB</b> NEVIB president Robert Klaassen</p>	  <p><b>HKSFC</b> Hong Kong Screw and Fastener Council chairman Cheung Kin Ming</p>

compiled by Fastener World

The year 2020 has posed many challenges to the global industries and the original supply chain deployment and operation has also confronted with unprecedented drastic change. Many behaviors used to be considered abnormal have recently become a new normal in the everyday life of the public, not to mention that the global fastener companies have been also suffering the impact, forcing them to seek more opportunities when shipment approaches are still not stable and social distancing is still required.

As a result, we have invited [EFDA](#), [NFDA](#), [TFTA](#), [FAI](#), [FIJ](#), [KFFIC](#), [NEVIB](#), [HKSFC](#) to share with us their feedback on the following questions mostly in regard to the impact of the pandemic on the fastener industry. We hope that, through the valuable sharing of their perspectives on the questions and the approaches as well as resources these associations have recently established with their governments, our fastener industry could soon recover its vibrant prosperity.

**1. Since the outbreak of the Covid-19 in 2019, have the domestic industries with great fastener demand in the region your association represents appear any significant change? Is there any difference from the industries' previous expectations or forecasts?**



**EFDA** We have seen a decline in demand in many industries on the customer side. Especially the automobile and the machine construction industries have been hit particularly hard by the pandemic. These industries continued to struggle with major problems during the second and third quarter of 2020. But there seemed to be first signs of recovery in September 2020.





**NFDA** There definitely was a disruption in demand. At first it appeared the disruption was going to be temporary as the U.S. and individual States put plans together to address the pandemic. Unfortunately, uncertainty is still high here in the States, so demand is at best unstable. There is some level of optimism for market recovery.



**NEVIB** In the Dutch market, many industrial companies felt the effects of the Covid-19 outbreak, especially in the field of the automotive industries. E.g., manufacturers of touring cars, trucks and also cars saw their order-input drop by large numbers. As these companies work with delivery times of many months, it is expected that the year 2021 will be a very hard one to survive. But also other producers of industrial products saw their turnover drop because of lower investments by their clients.



**FIJ** Local automotive, machinery, electrical, and many other industries with a large amount of fastener demand all faced the problem of production suspension. In addition, the suspended production of building materials (sanitary products, for example) in China led to delayed shipments to Japan, thus resulting in a stagnant status of residential construction activities in Japan. As a result, the domestic fastener demand from March through July 2020 was around 50% less than the previous same period.



**KFFIC** We have been facing many changes since the outbreak of COVID-19. In particular, we, as the fastener industry, are greatly concerned about the sluggish market, including the decreased demand in the automobile industry and the advent of eco-friendly vehicles, which is causing a big transformation of the automobile industry. As the biggest consumer of products of the fastener industry, the Korean automobile industry accounts for almost 70% of total fastener demand in Korea. Looking at the market condition of the Korean automobile industry, we are shocked by the following figures: accumulated production dropped by 16.3% from January to August 2020; exports decreased by 28.9%; and the accumulated exports of vehicle parts fell by 28.1% in monetary terms during the same period. Furthermore, we are also worried that the ever-increasing size of the market for eco-friendly automobiles including EVs and hydrogen-powered electric vehicles will have a great effect on the fastener industry. Moreover, the forecast for Korea's overall economic growth has been repeatedly adjusted, adding to the atmosphere of negative growth. We are also aware that the global economic growth is also predicted to be negative. In February 2020, the IMF predicted that the global GDP would be 3.3% in 2020, and 3.4% in 2021. But in August, the organization adjusted its prediction, forecasting that the global GDP would be -4.9% in 2020, and 5.4% in 2021. After the OECD forecasted, in February 2020 that the global GDP would be 2.9% in 2020 and 3.0% in 2021, it also adjusted its forecast, predicting that the global GDP would drop to -6.0% in 2020 and 5.2% in 2021 when the global economic growth is expected to be stabilized as long as there would be no re-spread of the virus. Korea is no exception. The Bank of Korea expected in February 2020 that the Korean GDP would stand at 2.1% and 2.4% in 2020 and 2021 respectively. But in August, the Korean central bank adjusted its prediction to -1.3% and 2.8% in 2020 and 2021 respectively. We believe such economic predictions and industrial trends are accurately reflecting the current status of the fastener industry.



**FAI** The impact of the Covid-19 pandemic has been global and we can safely say that no country or industry sector has been spared from any negative change. The Indian Fastener Industry is no different. With at least a couple of months of complete shutdown to limping partial starts, Buyer orders did reduce, cash flow cycles were affected & partial attendance of staff and workers have had a staggering impact on company financials. While it is apparent that there would be a big dip in Industry's expectation and forecasts, it is too early to estimate numbers especially for our Industry where a large chunk of which are MSME's (micro, small, medium enterprises) and whose financials are not public.

## 2. (Following question 1) Do those market changes generate any specific impact on the domestic fastener supply chain?



**NFDA** Of course. Distributors and OEM's alike are managing cash and thus inventory. There is definitely a more conservative approach and companies are looking for cost savings wherever they can find it to protect their P&L and their employees. In terms of supply chain, pushing out orders and then requiring expedited deliveries seems to be the norm these days. Demand is uncertain and volatile.



**EFDA** We cannot see major disruptions in the supply chain.



**NEVIB** As fasteners are used everywhere the Dutch domestic supply chain was hit in a severe way.





**FIJ** Take the machine and equipment industry for example, if the supply of some parts used in machines is suspended, the entire supply chain will be forced to stop. The decentralized supply chain may be also a problem to the industry.



**KFFIC** It is true that the sluggish economy and shrinking demand are directly impacting the fastener industry. The operation rate of the fastener industry has dropped, causing employment uncertainty and having a negative effect on the relevant production, domestic consumption and exports.



**FAI** The major impact on the domestic fastener supply chain has been availability of steel wire being the raw material for industry. As companies began resuming to possibly full capacity by Aug-Sep 2020 with order books refilling, the unfortunate blow came in the form of steel availability being limited and resulting in spiraling steel prices. Another reason was that imported raw material was coming in restricted numbers. The domestic fastener chain which relies heavily on credit to customers was also severely affected by payments being deferred and cash flows which were already affected by a few months of shutdown took a further hit. As mentioned since our domestic industry consists of a large number of MSMEs, there are a lot of companies finding it difficult to tide over these tough times.

### 3. In response to those market changes and impacts, have domestic fastener suppliers adopted any necessary measures or adjustments?



**EFDA** Many fastener distributors agreed to postpone the dates of delivery as the demand by their customers declined. In order to secure liquidity some fastener distributors postponed orders from their suppliers.



**NFDA** Yes. They have reduced work force and operating hours to control costs and to provide safety to their employees.



**NEVIB** Because of the lower turnover, Dutch fastener suppliers had to take their own measures. Thanks to a large Dutch government support programme, which included subsidizing salaries for companies that suffered a loss of turnover of 20% or more, so far not many jobs were lost in the fastener industry. However, large investments by the companies are put on hold.



**FIJ** The domestic companies' usual way to deal with a sudden complete stop of supply is to purchase the same category of products from different companies and keep the number of critical products in stock above a safe level.



**KFFIC** There will be various ways to respond to these market changes. From the perspective of the domestic industry, we could reshuffle the structure of the fastener industry, or reduce the concentration on the automobile industry in the medium and long term. In the short term, we could carry out programs for boosting the competitiveness of the industry. For instance, we could pursue smart strategies for the automation and digitalization of the industry, use government's programs such as designating SMEs as 'professional companies for materials, parts and devices,' and as 'professional companies for source technologies,' and actively utilize the government's support institutions for maintaining employment stability. Each of the fastener companies is certainly implementing such programs, and the KFFIC is also actively promoting and providing information for the Korean fastener industry to conduct activities for strengthening its competitiveness.



**FAI** India being heavily populated is a country where the impact of Covid-19 has been big and to adapt to measures such as social distancing has been hard though most are aware of the preventive advantages and have adapted well to take these measures. These measures also have impacted production. The learning curve for adaptation to market changes is yet on as we face a global unprecedented situation and the process of adjustment will be continuous even after the end of Covid-19.

### 4. According to your observation, has the domestic fastener industry your association represents reported any sign of recovery after adopting those necessary measures and adjustments?



**EFDA** We have seen signs of recovery since September 2020. We do not think, however, that these positive developments are the result of any particular measures taken by the fastener distributors during the pandemic but that they are owed the general recovery of the global market.





**NFDA** There was some optimism as the economy saw some improvement in September and October 2020; levels were still well below pre-COVID production levels but were improving. There was some uncertainty with it being an election year as well. A lot of uncertainty around us.



**NEVIB** The Covid-19 crisis started in The Netherlands in mid-March, 2020. There was a major lockdown for three months, and the effect was that economic activity was low until July 2020. In September 2020, business picked up somewhat. But as Covid-19 is still raging on in the Netherlands, the future is uncertain.



**KFFIC** Such measures and programs are mostly those from which we will be able to see results in the long term. Meanwhile, with the expansion of the 'untact' businesses, each of the companies actively involved in would have immediate effects. We know that they are making deals through 'untact' online video conferences under this circumstances where face-to-face meetings are impossible. We are seeing results by utilizing the government's fast-track system when entering and leaving the country. While conducting such activities, the quarantine system of each nation due to COVID-19 is undoubtedly the biggest obstacle.



**FIJ** We hope to see normal economic activities soon.



**FAI** As mentioned earlier, the recovery has been gradual and good after the initial months of shutdown with even exports picking up in due course. Though as order books kept filling in well since Aug-Sep 2020, we faced a big obstacle of steel availability. This will also be a short period as we expect major recovery starting from Jan 2021. This is keeping in mind that no big spike in Covid-19 numbers resurfaces causing partial or full shutdown again.

**5. According to what we have learnt so far, suppliers in some markets have reported gradual recovery of their capacity, however, their shipments are still partially restricted due to international border control. Have the members your association represents also encountered similar issues in their product export or import?**



**KFFIC** After all, the bottom line is whether exports and imports would go through customs even if deals are made online. To address such issues, policy cooperation among governments is absolutely needed, rather than measures adopted by the industry. As far as we know, the industry faced too many difficulties when unloading their shipments at an early stage, and such issues have now been addressed to some extent. In addition, the issue of clearing customs in those nations with which we have large amounts of trade are reported to be somewhat alleviated by establishing a fast-track system when entering and departing such nations, thanks to the cooperation of relevant governments.



**EFDA** We have not received any complaints by our members regarding restrictions on shipment.



**FAI** Exports have recovered well in the second half of 2020 and though there are no known restrictions on shipments from India, the impact on cost has been alarmingly high with sea freight and clearance charges increasing. This obviously has an effect on the viability of order acceptance with customers not willing to absorb these costs thus affecting the bottom line. We hope this will ease out in due course.



**NEVIB** At the moment there are no signs in Holland of problems due to international border controls. However, during the first half year of 2020 delivery times of some shipments in China were longer as a result of the Covid-19 problem in China.

**6. (Following question 5) Have your members adopted any measure to deal with the shipment issue? Would it be possible that the Association help these members negotiate with relevant authorities on this issue for further assistance?**



**KFFIC** The KFFIC is presenting suggestions made by and delivering problems faced by our members to each of the relevant government bodies. As far as we know, the government and authorities are working together to address concerns of the industry and they all continue to carry out cooperation with trading nations.



**FAI** We have not taken up this particular issue as we have focused on larger issues that we have addressed with authorities especially those concerning steel which is the primary raw material.



**7. The fastener demand from the automotive and aerospace industries seems to be on a drastic decline. Which industry sector do you think may be the alternative for the suppliers to seek more opportunities? Do you see any industry that shows a significant increase in fastener demand?**



**EFDA** Electro mobility is definitely a growing sector, and the solar industry is strong, too. We know that the DIY sector has done particularly well during the pandemic.



**NFDA** Don't give up on automotive. Focus more on crossovers, SUV's and truck production, as well as electric vehicles in this category. In terms of alternative sectors, I would suggest focusing on industries whose product(s) allow people to stay home, whether it be to shop or to work, or recreational products, lawn/garden or healthcare.



**NEVIB** At the moment, the demand for fasteners for the automotive and aerospace sectors is very challenging. And as almost all industries are operating at a lower level, we see no possibility to look for more other interesting sectors.



**FIJ** The demand for automotive fasteners is decreasing, while the demand for construction fasteners remains flat.



**KFFIC** As many changes would come with both crises and opportunities, the trend of "untact" businesses emerging after the virus outbreak is providing another opportunity for the ICT industry even in this gloomy mood of the automobile industry. Securing demand from the ICT industry is not a simple task for the fastener suppliers to handle. But we strongly believe that we are able to secure it based on continuous R&D. The aerospace industry is a painful field for the fastener suppliers. Even though we have built robust cooperation and relations with the automobile industry, we have failed to advance into the aerospace sector, which, in fact, ironically could become a very attractive area for us to move into. We think that we could achieve fruitful results by shifting our know-how we have built up from the automobile industry to the aerospace sector.



**FAI** The automotive industry has been affected since 2019 with slower demand and was further hit in 2020 massively. The passenger car segments are those which slow down when aspiring consumers stall their buying plans or when regular consumers postpone their planned purchases in tough financial periods. Covid-19 has affected millions of jobs and businesses & the automotive industry has been severely hit. On the positive side, demand for the two wheeler vehicles which is a huge number in India has been upbeat. Meanwhile, the aerospace industry is not a significantly big industry for Indian suppliers yet. Though not in the short run, the infrastructure industry holds huge promise in India with big plans and huge spending laid down by the government. As there is anticipated recovery for most sectors by 2022, this is one sector which will definitely be big for India.

**8. Although there still exist many variants amid the pandemic, making it difficult for us to forecast future development of the fastener industry, in your opinion, what can the fastener industry do to face challenges that may come up in the next few months? Is there any aspect you think suppliers can currently pay more attention to?**



**EFDA** During the pandemic it is more important than ever for suppliers and customers to stay in close contact and inform each other about their needs as long as the uncertainties brought by the Corona virus and protectionist tendencies on the world markets continue to exist.



**NEVIB** In this context, the fastener industry is not a leading industry. Fastener suppliers just follow the demands of their clients. I see no aspects our suppliers can currently pay more attention to, other than permanently striving to deliver the best service to their customers.



**NFDA** Be nimble and quick to change course as the details change in the US economy. The election results is a big part of our country's strategy moving forward.



**FIJ** The reliability of fasteners made in Japan has to be continuously maintained and the productivity has to be increased. As a result, continuous technology innovation definitely cannot be ignored.



**KFFIC** We think that no one can be sure of any possibilities of re-spread or variants of COVID-19. What is clear and important is that the mankind will conquer the virus sooner or later, and remember it as one of many infectious diseases people faced in the past. We, as the fastener industry, are making a number of adaptations to overcome the barriers we face, which will surely help support the competitiveness of the industry.





**FAI** As you rightly point out, it is extremely difficult to forecast the future growth. The stark reality and biggest challenge is survival of the fittest. Keeping costs in check, efficient production, tight quality controls and high management commitment coming out of 2020 even financially breaking for a major chunk of the industry is the need of the hour. Sticking with the right customers who have stood by their suppliers in their tough times is paramount. Those customers who are looking at squeezing their suppliers in terms of unviable pricing or heavily delayed payment cycles should be reconsidered.

**9. Due to the pandemic, many exhibitions and industry activities have been already cancelled or become virtual events in order to avoid “face-to-face” contact, does your association also plan to give similar events in the following months?**



**EFDA** EFDA had its 20th anniversary in 2020. We postponed the festivities to 2021 because we would like to celebrate this event together with our members and friends from Europe, Asia and America. With regard to our daily work EFDA and its members make frequent use of videoconferences and webinars.



**NFDA** Yes. Lots of virtual events are scheduled.



**NEVIB** At the moment our association avoids all face-to-face contacts, and we expect things to stay like this for the foreseeable future.



**FIJ** Meetings of our committee are not held in any specific place, but are given as videoconferences, and so are our seminars and presentations.



**KFFIC** Some of the common damages arising from the outbreak of COVID-19 are the cancelation and delay of various events including exhibitions, unveiling shows for new products, large-scale seminars, etc. Even as many Korean businesses have also encountered damages, Korea Metal Week, the only event of the fastener industry in Korea, was successfully held under a somewhat quiet atmosphere in June 2020. Therefore, a number of events and projects have been canceled or postponed to next year. We hope that COVID-19 is quickly eliminated and we expect that Korea Metal Week, which is scheduled for June 2021, will be successfully held. We, at the KFFIC, strengthen ties among our member CEOs by attending overseas renowned fairs and visiting main overseas associations and companies every year, but have not yet made any visits, which is most disappointing. Taking this opportunity, we would like to say that we are looking forward to seeing you, overseas relevant associations and those involved in the industry this year.



**FAI** Most companies and individuals worldwide have adapted to virtual contact quite well. This is an essential system to be followed which will be used forward for a long time to come. Virtual events though will take time to kick off with low understanding of how to use them to our advantage yet companies have no choice but to adapt to this new phenomenon. We have no plans from the association to conduct such events in 2020 though will structure plans for 2021.

**10. Is there also anything else you'd like to share with our readers?**



**EFDA** EFDA will continue to use videoconferences when the pandemic is over. Videoconferencing works very well – and saves money and time – when you need to exchange information or take decisions for the daily business. We hope, however, that it will be possible to hold face-to-face events in 2021 because we think personal contact is essential for a successful cooperation at a global level.



**KFFIC** We wish you health and safety even amidst this outbreak of COVID-19 that is bringing unprecedentedly enormous shocks and impacts. We are expecting that the outbreak is going to be contained sometime in the middle of 2021. To everyone in the fastener industry! We hope that COVID-19 will be quickly contained and that we all can be vibrant again, smiling and seeing each other face-to-face again in every corner of the global market, as we were in the past. Thank you!



**NEVIB** Like many people, we hope that this pandemic will be over as soon as possible. We regret the many victims it has caused all over the world.



# TFTA Chairman Josh Chen: Cautiously Optimistic to the Modest Recovery of Taiwan's Economy

Since the outbreak of Covid-19 in the yearend of 2020 inflicting heavy losses to the global market, many industries have been suffering from their own "harsh winter," such as factories being forced to lower, halt, or even fully stop production due to shrinking demand. Fortunately, with a few months of effort to contain the spread of the pandemic, many countries and regions have reported a significant more flattened curve on their pandemic chart, showing an increasing possibility of recovering industrial prosperity in the very near future. Taiwan, undoubtedly, is one that has been doing a very good job on pandemic control this time. Its undefeatable industrial supply chains not only keep running normally, but also are an indispensable support behind the global industrial supply chains.

## Orders Placed to Taiwan Fastener Industry are Gradually Back Again / The Promising Future May Not be Far Away

Chairman of Taiwan Fastener Trading Association (TFTA), Mr. Josh Chen, is also holding a cautiously optimistic view on the current Taiwan fastener industry. He said, "2020 is definitely a year full of challenges and difficulties. On the one hand, fluctuations of exchange rates and national border conflicts led to several problems; on the other hand, the sudden outbreak of Covid-19 also brought the whole world's economy into a long and dark time. In the period from about May through July 2020, Taiwan was indeed heavily influenced by dropping international demand. However, according to my observation, [the order intake, production, and shipment of Taiwan fastener industry already appeared a sign of gradual growing momentum](#), and lead times and deliveries were running normal as well."

Although the pandemic seems to have reached its 2nd high peak in some countries in Europe and is still not under effective control, Chairman Chen said, "Since the beginning of last October, the order intake of Taiwanese fastener companies has appeared a sign of growth, which is opposite to the trend in other countries. Not only the number of orders is significantly increasing, but also the amount of orders is also showing an uptick. Originally, I thought that there might be a series of closedown in Taiwan fastener industry amid the pandemic, however, I haven't seen any significant case thus far, which adequately proves that after several decades of development Taiwan fastener industry has accumulated quite a few solid bases for industrial development."



**TFTA** We have gradually felt the growth in order placements, as many of our overseas clients are running out of stock.

## Foreign Clients are Running out of Stock and Their Demand for Replenishment is on the Rise

Over the past few months many Taiwanese fastener suppliers faced problems like "being unable to ship products to clients as these clients required to suspend their orders due to the frozen demand from their downstream clients, or increasing pressure from their banks' due dates to pay back loans due to their clients' failure to make the payment in time. Chairman Chen said, "I could totally understand their situations, and I'm convinced that these situations won't last too long. We have gradually felt the growth in order placements, as many of our overseas clients are running out of stock. On the other hand, as the service mode of the fastener industry is basically production by order, a transaction can not only be finished via email (i.e., the Internet), but can also be completed via an e-commerce platform, instead of face-to-face communication frequently adopted in other industries, which is perhaps one of the reasons that overseas orders are coming back at a fast pace." Chairman Chen added, "Take the automotive fastener demand as example, although it slumped badly in the last few months, its influence was short. Plus, many overseas car manufacturers have gradually reactivated their production lines, so the demand is going to rebound. In terms of new car sales in Taiwan, the number of imported cars is even higher than that of domestically produced cars. Under such a trend, the so-called 'retaliative' growth should be very likely to appear soon."

## Demand for Medical, DIY, and Sports Utilities Fasteners May Jump High

In response to the demand amid the pandemic, the fastener demand from various industries is also increasing. For example, the demand for ventilators and protective face shields is greatly increasing, benefiting several manufacturers focusing their business on these fields. On the other hand, Keeping social distancing and working from home also indirectly boost the growth in home improvement and DIY fastener demand. Chen added, "[The pandemic did significantly boost the demand for medical and DIY fasteners](#). With everyone paying more attention to their health, fasteners for sports utilities and bicycles may be some of the suitable directions for our industry to focus on in the future."

## Trying to Get Well-Prepared in the Crisis

The current pandemic is still full of many uncertainties, making it difficult to forecast the future development of Taiwan fastener industry in 2021. However, Chen thinks, "Although it is difficult for us to forecast, [the trend of an uptick and a rebound from the bottom should be positive if we view the recent performance of Taiwan fastener industry](#). I suggest that our friends from the industry should be well-prepared and take a faster move to improve their facilities and train their staff and be brave to take on any challenge and make a breakthrough. If no adverse external factor similar to Covid-19 will happen again, the performance of the industry 2021 may be better than 2020!"

## TFTA Can Help with Industrial Talent Training

Technology and talent are both cornerstones for industrial development. In recent years, Taiwan fastener industry has been working really hard to improve its manufacturing technology and quality of products, making it recognized by overseas customers worldwide. However, there still exists a serious problem of the so-called talent gap. As a result, considering that talent cultivation is one of the issues Taiwan fastener industry is eager to reinforce, [TFTA has also signed a collaboration memorandum with Taiwan's Metal Industries Research and Development Centre \(MIRDC\) for strengthening the cultivation of the young generation of fastener talent](#). Chen concluded, "Under the collaboration between TFTA and MIRDC, we will give relevant practical courses on fastener manufacturing. The first course will only accept a few attendees in order to achieve effective learning results. We hope that through the assistance of TFTA, our members and Taiwan fastener industry can reinforce their personnel training and promote their industrial competitive edge."



## Words from HKSFC Chairman Cheung Kin Ming

When the Covid-19 was first discovered and some people were tested positive at the end of 2020, many people at that time were not fully aware of the fatality of the virus, and some countries even deemed it as flu, and therefore, only adopted simple countermeasures which would not immediately impact their economic growth, as they originally thought that this pandemic could be soon under control. Unfortunately, the contagion and fatality of this virus far exceeded our forecast and has spread to the whole world, which is still not under control.

As China, Hong Kong, and Taiwan once suffered from the influence of SARS in 2003 and learned some experience, the governments and residents across the region were reacting to this pandemic and taking immediate sanitary measures against it faster and more carefully, thus causing less influence to the livelihood of the public.

Most HKSFC members set up their own factories in mainland China, so they have to frequently travel between the mainland and Hong Kong for work or for their family. However, due to the pandemic, all land customs at the border between Hong Kong and the mainland (except for those at Shenzhen Bay and Hong Kong-Zhuhai-Macao Bridge) have been closed. People entering the mainland are also required to submit a "Covid-19 tested negative" report and are mandated to quarantine for 14 days, which results in a significant influence to most HKSFC members and other Kong Kong businesses. The pandemic also poses a big challenge to HKSFC, as all domestic and overseas meetings have to be virtual now. As a result, we cannot help but cancel or postpone all visiting plans, sessions, chairman inauguration, and domestic/overseas trade shows.

Measures taken by the Chinese and Hong Kong governments to fight against the pandemic have also led to influence on the fastener and many other industries to a certain extent. The pandemic went into its most rampant period during Chinese new year holidays, when many employees in the mainland returned to their hometowns by car, train or plane for celebrating the new year, which also posed a big challenge to the pandemic control. As a result, local governments mandated businesses and factories in various industry sectors to implement immediate measures to contain the spread of the pandemic, including visitor registration, declaration, quarantine at medical centers, taking the temperature before entering offices, reducing daily workforce and working hours, restricting areas for dining, etc. Local officials would also carry out irregularly on-the-spot inspection. Factories were also doing whatever it could to prevent employees from contracting the virus and ask employees to keep social distancing and personal hygiene.

The above mentioned measures did actually cause a great influence on the material, capacity, workforce, and shipment arrangement of factories and their supply chains. **The biggest influence was insufficient capacity that directly led to hiking material prices.** On the other hand, the shipment time and efficiency of express and logistics service providers were also influenced. In certain areas where the influence of the pandemic was bigger, mail receiving and delivery service could not even be provided.

From my recent interaction with HKSFC directors and members, I learned that most enterprises in our region also faced the same difficulty. However, some of them consider the difficulty an opportunity to further promote automated production and reduce the issue of low capacity due to insufficient workforce and save costs. Because of several economic issues caused by the pandemic, I think that the positive result still won't be seen until only after a certain period of time.

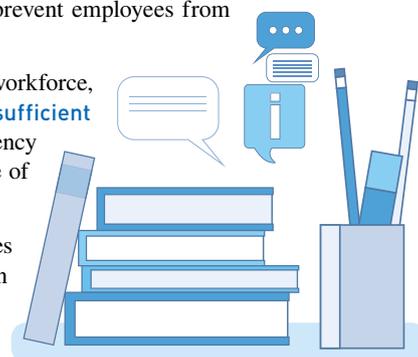
2020 is undoubtedly an extremely difficult year for most industries and our fastener industry also faced an unprecedented challenge. As an old saying goes, "A bad thing may be also a good thing, while a good thing may be also a bad thing." One of these examples is the mask manufacturing industry that drew everyone's attention overnight. Due to the outbreak of the pandemic worldwide, the demand for medical masks reached a new high in history. As most of these industries also require the use of fasteners, our fastener industry can also play a core role.

At the beginning of this year, the demand for medical masks started to far exceed the supply, and many investors jumped into the medical mask industry, creating a new opportunity to suppliers providing fasteners to related mask machine manufacturers.

As there will be still many variants in the development of the pandemic and the fastener industry will continue to face challenges, we thus have to make effort to avoid unnecessary expenses and improve our strengths in order to get well-prepared for the advent of future.



**HKSFC** People entering the mainland are also required to submit a "Covid-19 tested negative" report and are mandated to quarantine for 14 days, which result in a significant influence to most HKSFC members and other Kong Kong businesses. The pandemic also poses a big challenge to HKSFC, as all domestic and overseas meetings have to be virtual now. As a result, we cannot help but cancel or postpone all visiting plans, sessions, chairman inauguration, and domestic/overseas trade shows.



HKSFC would have been the host of the Four Regions Fastener Association Conference in 2020. **Due to the pandemic, this Conference was re-scheduled to take place in 2021.** We hope that through the Conference we can discuss face to face the future industrial development & advancement and share constructive opinions with each other. And, I personally hope that it will be soon realized and we can meet each other without wearing masks someday.

I'd also like to thank Fastener World Magazine for its dedication to offering customers service and arousing the concern about the influence on the fastener industry and its future. I hope that we can get out of the dilemma as soon as possible, the pandemic can soon come to an end, and all walks of life can enjoy prosperity again in a foreseeable future.

