



# American News

compiled by *Fastener World*

## REPORT: Industrial Fastener Demand to Grow 4% CAGR

The global industrial fasteners market is predicted to expand at over 4% CAGR through 2031, while the demand graph for threaded and plastic industrial fasteners is set to climb among diverse end-use sectors, according to a new report by Fact.MR.

“While the outbreak of COVID-19 affected industry growth temporarily in 2020, with the commencement of vaccinations and adoption of the new normal, the automotive, building & construction, and other key end-user sectors have started getting back on their feet since the last quarter of the year,” the report found.



“As such, overall industry outlook has remained positive during the last 5 years from 2016 to 2020.” With manufacturers of industrial fasteners incorporating advanced technologies and making heavy investments in various research & development (R&D) activities, the industry is projected to expand further over the coming years.

Fast and steady recovery of the automotive industry and growing adoption of industrial fasteners in commercial & residential construction projects are anticipated to increase supplier revenue in the U.S. Germany’s advanced automotive sector and rise in the number of construction & building projects after overcoming hurdles due to the pandemic position that country for strong growth as well, according to the report. Likewise, China is expected to register substantial growth in the coming years, with demand from the construction, automotive, and home appliance sectors boosting sales of industrial fasteners in that Asian country. As the world’s largest vehicle market, China expects automobile output will reach 35 million by 2025. India has emerged as a lucrative country in terms of demand, sales, and production of industrial fasteners, and is expected to grow further through 2031. Abundance of raw materials and labor, and high demand from the construction sector are fueling sales in India.

Presently, plastic is gaining traction in terms of material for industrial fasteners. According to Fact.MR, this segment will gain further popularity owing to such advantages as:

- Lightweight
- Cost-effective
- Flexible in terms of usage
- Free from the drawbacks due to rusting

Non-threaded and aerospace grade industrial fasteners are expected to further fuel the sales of suppliers through 2031. The automotive and construction industries have high demand for industrial fasteners. Other key end-use segments are aerospace and home appliances.

## FINdex Maintains Growth Despite Supply Disruptions

Supply chain disruptions did not derail the FIN Fastener Stock Index in the opening quarter of 2021. The FINdex maintained its brisk pace during the quarter, climbing 9.6% compared to a 6.5% gain by an index of related industrial stocks.

Tree Island Steel achieved the highest stock gain during Q1, rising 72.4%. During 2020, Tree Island revenues increased 7.7% to \$215.9 million due to higher shipped volumes. Gross profit increased to \$25.9 million, and gross margin climbed to 12% from 8.9% in 2019.

Other fastener companies with rising share value during Q1 included Carpenter Technology (up 41.3%); Chicago Rivet (up 11.5%); Dorman Products (up 18.2%); Fastenal (up 2.9%); ITW (up 8.6%); Howmet Aerospace (up 12.6%); Lawson Products (up 1.9%); MSC Industrial (up 6.9%); Nucor (up 50%); Park Ohio (up 1.9%); Simpson Mfg. (up 11%); and Stanley Black & Decker (up 11.8%).

Fastener stocks losing value during the first quarter: EACO - Bisco Industries (down 4.5%); Grainger (down 1.8%); and TriMas (down 4.2%).

During 2020, the FINdex increased 10% during the year, lower than the 12.8% rise in stock value by an index of related industrial stocks.





## WINA Forms Würth Additive Group

Würth Industry North America (WINA) formed Würth Additive Group, a new U.S. company incorporated in Delaware and based in Indianapolis to provide expanded 3D printing products and services, including financing and rental options on equipment.

WINA began providing additive products and services in 2017 with rapid prototyping and printing production tools. It now offers full digital Kanban solutions by integrating 3D printing technology in its existing vendor managed inventory programs.

“We are thrilled to bring innovative digital supply chain solutions to our customers,” stated WINA CEO Dan Hill. “By integrating industrial 3D printing technology with our existing inventory programs, we can offer faster time to market, lower inventory costs, and improved environmental sustainability practices. We’re able to cut out the sourcing, purchasing, and transportation costs and deliver the value directly to the customer.”

“We’re excited to offer rental and financing options and provide additive manufacturing solutions to a wider market,” said AJ Strandquist, newly appointed CEO of Würth Additive Group. said Würth can now provide additive manufacturing solutions to a wider market.

“Our mission is to enable, implement, and support a digital supply chain solution that is dependable and beneficial for our customers to operate,” Strandquist explained. “We do this by offering a clear implementation process, cost-saving options, on-going support, a strategic supplier portfolio, and financial services for instant return on investment.”

Strandquist joined Würth in 2014 and most recently served as director of 3D product solutions for WINA before his promotion.

He is the son of Optimas Solutions CEO Marc Strandquist.

WINA signed a global distribution agreement with industrial metal and carbon fiber 3D printer provider Markforged in March 2020. Würth has added several strategic suppliers to its portfolio of additive solutions, offering a wide range of printers and materials for industrial applications. Its digital supply chain strategy includes additive manufacturing/3D printing, digital part files, and inventory assessment software that help customers cut costs and reduce operational risk.

WINA is a US\$1 billion division of the Würth Group, with 110 locations providing 420,000 fasteners and C-parts plus services.

## The Changing Face of Fastener Plating and Coating

It’s easy to assume that plating and coating options for fasteners are “set in stone.” But changes in regulations and standards require ongoing attention, according to Laurence Claus, founder of NNI Training and Consulting.

“You need to make sure that something doesn’t get dropped in on you that causes surprise,” stated Claus, who has almost 25 years of experience working in the fastener and automotive part supplier industries.

For example, cadmium has been gone for 30 years and it’s never coming back, but cadmium replacement remains a hot topic, especially in the Defense industry.

Likewise, hex chrome was severely limited 15 years ago.

“It’s been proven to be dangerous to people and the environment,” Claus explained.

EU efforts to ban hex chrome in cars forced the U.S. to follow suit. And it’s possible that a future initiative will ban hex chrome use altogether, he explained.

“We continue to see improvements in chromates and other plating alternatives to address the loss.”

In general, no regulatory changes are imminent, Claus noted.

“Nothing really new to report, but none of these regulations are going away. They evolve over time.”

For example, RoHS - the Restriction of Hazardous Substances Directive 2002/95/EC - has had several revisions since it was adopted in 2003.

“Keep these topics on your radar because things change. Every finish being applied to fasteners is a result of some standard, which can get revised.”

By design, industry standards are reviewed and often updated at least every five years. Examples include ASTM F1941/F1941M and ISO 4002, which have undergone significant changes in recent years.

“We will see a rebirth of the discussion about updating hydrogen embrittlement requirements,” Claus predicted.

There are also customer requirements that change, including accelerated corrosion testing, elimination of chrome products and the addition of new plating and coating standards or options.

“It’s really important that we chose platings and coatings based on solutions to the customer’s needs.”



## Fastener Companies Face Supply Challenges

Shipping logistics and other supply chain challenges are dominating the focus of fastener distributors and manufacturers, panelists of a National Fastener Distributor Association presentation stated.

Product availability is affected by raw material demand in Taiwan, which is causing delays as long as six weeks, according to Melissa Patel, supply chain director at Field Fastener.

Likewise, lack of shipping availability, coupled with domestic rail delays, have added weeks to deliveries, Patel noted.

And exchange rates have compounded the problems fastener companies face.

“I don’t recall another time when exchange rates have been so prominent in management discussions,” explained Patel, who has worked for Field for 18 years.

Optimas Solutions CEO Marc Strandquist echoed those concerns.

“Covid is an issue that makes it so difficult to run a business, both in terms of supply side and internally,” Strandquist stated. “Import orders are big right now. Everybody is ordering extra, creating a false demand.”

One manufacturer told Strandquist that one customer who generally orders 100,000 pieces just ordered 15 million.

“Some manufacturers domestically are in heaven.”

In response, steel prices are rising and there is speculation about allocations.

In addition to rising costs, there are quality issues as an uptick in business has led to less experienced workers producing questionable products, Patel said. Factoring in 301 tariffs that the Trump administration placed on Chinese fasteners and other products, Field constantly evaluates reshoring products, Patel noted.

“We are always looking to make sure we have the best total cost for any item we produce.”

While Optimas Solutions has a strong percentage of domestic products, global supply side issues have placed added pressure on reshoring.

“Customers are challenging us to reshore more because they’re worried about the length and financial stability of the supply chain,” Strandquist said.

There are two components of steel price: base price and surcharge, Strandquist pointed out.

“The surcharge is going up and down right now,” he said.

Despite all the uncertainty in the supply chain, OEM planning is not getting more accurate.

“I don’t anticipate that changing or improving,” Patel explained. “They’re paying us to manage this for them.”

Strandquist echoed that sentiment.

“There’s no appreciation. As far as customers are concerned, it’s just a bolt. You can go down to K-Mart for that.”

In response, fastener suppliers have been forced to use air freight to meet customer demands, Strandquist said. But that option is “cost prohibitive” because fasteners are lower value and quite heavy compared to computer chips.

“There is madness in the supply chain. Everybody is killing themselves to keep up with it.”



## Semblex Announces Changes to Senior Management

Semblex Corporation, Elmhurst, IL, USA, and parent company, Jinhap Company, Ltd., announce the following management changes effective on May 1, 2021. Jinsoo Kim, current President, has been promoted to lead the international businesses of Jinhap and oversee operations outside of Korea, which include Jinhap firms in China and Semblex in the USA. He will be relocating to Korea later this year. Kim has been at Semblex since it was acquired by Jinhap in 2014 and has served Semblex as Chief Operating Officer and, most recently, as CEO and company president since March 2019. Gene Simpson, former Semblex’s Chief Operating Officer, has been promoted to replace Kim as CEO and company President. Prior to his COO role, Simpson served in several key management positions at Semblex over the last 29 years including Vice President of Quality & Engineering and Director of Engineering Services. Semblex Corporation, which was established in 1968, is a premier supplier of innovative cold-formed product solutions to the world’s leading manufacturers. These manufacturers look to significantly reduce their assembly-related costs or are challenged to find the best way to fasten new materials which are emerging in their industries. Semblex Corporation provides its customers with the latest fastening products and technologies, along with precision cold-formed and machined components, and special assemblies.

## Optimas Adds Larger Diameters to Existing Fastener Production



Optimas Solutions, Glenview, IL, USA, a global industrial manufacturer/distributor

and service provider, announced it has added larger diameter (M12-M18) fastener production of the industry standard MATHread® and Taptite 2000® licensed products. The larger M12-M18 MATHread and Taptite 2000 diameters enhance Optimas’ licensed products manufacturing capabilities that already included smaller diameters of MATHread, Mortorq®, Phillips Square-Driv®, Remform® and Taptite 2000® brands. These enhanced, larger diameter capabilities complement existing smaller diameter offerings, and further support Optimas’ continued quest to deliver industry leading manufacturing solutions to distributors and OEMs directly. “We’ve been manufacturing licensed fasteners for smaller diameters for a number of years,” said Marc Strandquist, CEO of Optimas. “Now with technological upgrades made at our Wood Dale, IL, USA and Droitwich, UK manufacturing facilities, we can produce larger diameters of licensed products to make us more competitive in a variety of industries that require larger fasteners, such as automotive, heavy duty trucks, construction machinery and agricultural equipment.” By adding these larger diameter capabilities,



Optimas can build on partnerships with reputable OEM brands wanting to onshore more manufacturing with licenses especially beneficial to industrial applications. These licenses allow Optimas to supply its customers next generation fastening solutions which guarantee measurable advantages, including improved performance, reduced installation times, and weight savings and cost savings. Optimas offers cold-forming manufacturing for a variety of fasteners at its Wood Dale and Droitwich facilities including self-threading designs for metals and a roll-forming design for plastics. “We continue to improve our manufacturing capabilities by working with high-quality, well-respected fastener licensors, such as MATHread, Phillips and Taptite,” said Strandquist. “As we continue to roll out our Manufacturing Solutions strategy that we announced in the third-quarter of 2020, it was a natural progression to add larger diameter licensed product capabilities for existing and new customer applications.”

## Tanner Bolt & Nut & Parker Fasteners Distribution Agreement

Tanner Bolt & Nut Inc., Brooklyn, NY, USA is pleased to announce an agreement has been reached with Parker Fasteners, Buckeye, AZ, USA, to become the exclusive master distributor in the United States for its Lock-Out® maximum security screw. Lock-Out is a new and innovative security fastener featuring a unique patented drive that is engineered to perform in high torque applications. The distinctive oval center pin and multiple drive/key combinations give customers the option to select higher levels of security in a tamper-proof fastener. Installation bits are not sold commercially. Installation bits will only be sold through Tanner. Lock-Out is available in a multitude of head styles, threads, diameters, lengths, materials and finishes. Diameters range from 1/4" to 5/8", M1.4 to M16, and #0 to #10, with lengths up to 12" for certain diameters. Materials available include carbon steel, stainless steel 302HQ, 304, 316, A286 and brass alloy steel 4037, 8740. For absolute maximum protection of the customer's property or product, Lock-Out can be manufactured with a one-of-a-kind, drive pattern that is exclusive to the customer's company. Tanner received its initial stock order in early March 2021 and will continue to bolster its inventory throughout the year. Made-to-order product typically will ship in eight to ten weeks. Tanner Bolt & Nut Inc. is a nationwide distributor of premium industrial and security fasteners, code compliant anchors, safety, and products as well as power tool accessories. For more than 40 years, Tanner's knowledgeable sales and support staff has committed to a customer first approach, delivering innovative quality products. Tanner partners with over 50 well known quality brands that provide customers with industry leading experience, innovation, and quality control. Parker Fasteners is a premier ISO & AS9100 Rev D-registered cold heading manufacturer, which sources all raw materials from American sources including DFARS compliance. Parker Fasteners takes great pride in manufacturing quality fasteners, engineered to meet customer product specifications and delivering on or before the promised due dates.

## Greenkote Sees More Anti-Corrosion Coating Orders for Metal Fasteners



Greenkote, a global provider of advanced anticorrosion metal coatings, has announced a major expansion of production capacity at its headquarters facility in Brook Park, OH, USA. The expansion comes in response to an upsurge in demand for corrosion protection on environmentally exposed metal fasteners and hardware in several different industries. “I don’t know if climate change may be a part of it, but we’re seeing notable increases in anticorrosion coating orders for all kinds of different metal parts that are exposed to the elements,” said Greenkote CEO, Mark Gore. “The orders are coming from a range of sectors, including automotive, rail, electric power distribution, wind power generation and others. These are all applications that have fasteners, fixtures and other metal hardware exposed to long-term outdoor atmospheric corrosion.” “It’s also possible that we’re getting more than our share of this business because of a couple of other factors,” added Gore. “Number one, Greenkote coatings are actually diffused into the metal surface, making them damage resistant, longer-lasting and better-performing than older treatments such as galvanizing and paints. Another factor is eco-friendliness. Many other coating processes involve acids and other polluting chemicals, so their use is increasingly restricted by environmental regulation. But, as the name implies, Greenkote is uniquely benign to the environment.” Gore stated that installation of the additional Greenkote coating equipment in Brook Park has been completed and the facility is now fully operational with significantly expanded capacity. Greenkote provides anticorrosion coating services for construction, automotive,



rail, utilities and many other industries in which parts are exposed to weather or harsh and corrosive environments. Greenkote can be applied to a broad range of metal parts, from threaded fasteners to stamped and cast pieces, in sizes from 0.2" to 78". Proprietary Greenkote coatings have been replacing several older anticorrosion processes such as galvanizing, hot-dip, sherardizing and metal flake. In addition to increased corrosion protection, Greenkote technology provides superior adhesion, longer wear and more conformal coverage, which allows its use on complex geometries such as small threaded parts. Greenkote also eliminates metal failures that are caused by hydrogen embrittlement, an intrinsic problem with many traditional coatings. Greenkote is applied by a patented zinc-based dry thermal diffusion process that requires no hazardous chemicals and produces no toxic by-products. Consequently, it is uniquely friendly to humans and to the environment.

## Tariffs On Chinese Fasteners To Continue



U.S. President Joe Biden intends to keep import tariffs on China in place early in his presidency, saying the U.S. needs more leverage against “abusive” trade practices, MarketWatch reports. “I’m not going to make any immediate moves, and the same applies to the tariffs,” Biden told New York Times columnist Thomas Friedman. “I’m not going to prejudice my options.” Biden said he will try to build an allied front against China’s unfair trade practices, while also trying to improve diplomatic ties with China by toning down the harsh rhetoric used by former President Donald Trump.

Analysts say that by teaming up with Europe and keeping the Trump tariffs in place, Biden will retain leverage over China, mute Congressional criticism and bolster public support. Trump began imposing import tariffs on Chinese products in 2018, leading to double-digit tariffs on \$370 billion in Chinese goods that set off the biggest U.S. trade war in decades. The tariffs include 25% duties on bolts, screws and other fasteners (HTS subheadings 7318.11.00 to 7318.29.00) manufactured in China and 15% on all Chinese iron and steel nuts (HTS subheading 7318.16.00). The tariffs were issued under Section 301 of the Trade Act of 1974, which allows the White House to fight foreign trade policy it deems “unreasonable or discriminatory and burdens or restricts United States commerce.”

In September, the World Trade Organization (WTO) ruled that Trump’s tariffs on more than \$400 billion in Chinese goods violate international trade regulations. “While Trump insists

China is bearing the costs of the tariffs, every major study has shown that it’s American customers who are paying the price,” MarketWatch reports. While the 301 tariffs will remain in place for now, a Biden administration could “reduce or suspend import tariffs on steel and aluminum that Trump imposed on a number of countries aside from China on national-security grounds,” according to MarketWatch. Those 232 tariffs hiked costs on industrial products and consumer goods such as autos and appliances.

During a 2019 International Fastener Expo conference, attorney Richard Wortman said 301 tariffs were likely to linger even if a new president was elected in the U.S. The tariffs have become federal government income without being called a “tax,” he noted. “It is going to take a while for tariffs to go away.”

The Office of the U.S. Trade Representative (USTR) list includes:

- 7318.11.00 - Iron or steel, coach screws
- 7318.12.00 - Iron or steel, wood screws (o/than coach screws)
- 7318.13.00 - Iron or steel, screw hooks and screw rings
- 7318.14.10 - Iron or steel, self-tapping screws, w/ shanks or threads less than 6 mm in diameter
- 7318.14.50 - Iron or steel, self-tapping screws, w/ shanks or threads 6 mm or more in diameter
- 7318.15.20 - Iron or steel, bolts and bolts & their nuts or washers, imported in the same shipment
- 7318.15.40 - Iron or steel, machine screws (o/than cap screws), 9.5 mm or more in length and 3.2 mm in diameter
- 7318.15.50 - Iron or steel, threaded studs
- 7318.15.60 - Iron or steel, screws and bolts, nesoi, having shanks or threads less than 6 mm in diameter
- 7318.15.80 - Iron or steel, screws and bolts, nesoi, having shanks or threads 6 mm or more in diameter
- 7318.19.00 - Iron or steel, threaded articles similar to screws, bolts, nuts, coach screws & screw hooks, nesoi
- 7318.21.00 - Iron or steel, spring washers and other lock washers
- 7318.22.00 - Iron or steel, washers (o/than spring washers and other lock washers)
- 7318.23.00 - Iron or steel, rivets
- 7318.24.00 - Iron or steel, cotters and cotter pins
- 7318.29.00 - Iron or steel, nonthreaded articles similar to rivets, cotters, cotter pins, washers and spring washers





### Sachs: 'Perfect Storm' Creates Container Shortage in the US

"The cost of the containers have increased dramatically over the past 12 months," Bob Sachs of XL Screw said. The shortage is due to a "perfect storm" created by a list of reasons for container shortage.

"The steamship lines are really taking advantage of the situation and they are reportedly making record profits," Sachs said. "They are very happy." Reasons for the container shortage include "empty containers sitting all over the world waiting to be shipped back to the Far East. Not enough cargo to be shipped back to the Far East," Sachs explained. "This creates a lack of container availability to ship back to the USA."

The pandemic also contributes to the container shortage: "Because business slowed down so dramatically last year, I heard that the companies that make new shipping containers cut way back on their new production," Sachs noted. "Now they can't keep up with the demand." Demand for container space had increased toward the end of 2019 with the economies of the world doing well, Sachs pointed out. "Companies needed to replenish their inventories due to improvement of the demand for product worldwide."

PPE products are especially in demand now and "governments are paying a hefty price to the steamship lines to move the PPE cargo." Sachs termed giving PPE cargo priority "understandable."

Sachs' fourth reason for the container shortage is steamship lines "cutting way back on their vessel sailings to create a demand on container space thus taking advantage of the situation and being able to raise their prices." "Shipping costs change daily," Sachs finds. Also the Chinese New Year "always creates a push for available container space," Sachs added.

Sachs observed "there are so many ships sitting outside the USA West Coast Ports waiting to unload their cargo. This is creating long delays."

All of those reasons combined have "created the Perfect Storm!" Sachs declared.

When will the container situation ease? "I have no idea when container availability will improve and

when shipping costs will stabilize," Sachs explained. "There are so many factors created by the Pandemic. These are very unusual times with many unanswered questions." "In the past, shortage of container space and large increases in shipping costs typically come and go pretty quickly," Sachs has found. "I am afraid to say...not this time due to the uncertainty of the Pandemic and the trade war with China. You just need to come up to the plate and keep swinging."

### Acquisitions Boost SWK Fastening Sales



Stanley Black & Decker reported Engineered Fastening organic revenues dropped by 2% in the final quarter of 2020 "as strong automotive fastener growth was offset by an improved, but still declining, general industrial market." Those results were offset by an 11% revenue increase from the US\$1.5 billion acquisition of Consolidated Aerospace Manufacturing LLC (CAM).

Brea, CA-based CAM, which manufactures aerospace fasteners and components, was launched by Tinicum in 2012 as a holding company for eight manufacturing firms active in aerospace component sector. Among CAM's holdings are Bristol Industries, E.A. Patten, Aerofit, Voss Industries, 3V Fasteners, QRP and Moeller.

Q4 Industrial segment revenue, including fasteners, grew 10% to \$658 million, with profit rising 14.4% to \$88.9 million at a rate of 13.5%. Full-year Industrial segment revenue, including fasteners, declined 3.4% to \$2.35 billion, while profit fell 32.5% to \$225.6 million at a rate of 9.6%. Consolidated Black & Decker revenue rose 1% to \$14.53 billion. Full-year net earnings gained 29% to \$1.23 billion.

### Dyson Opens New Manufacturing & Distribution Location in Texas

Dyson Corporation, Painesville, OH, USA, is proud to announce the opening of its newest location in Houston, TX, USA, as of January 2021. This modern facility is the manufacturing location for foundation anchoring products to support the growing wind energy market in the southwest.



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