

The Analysis of Fastener Trade Statistics of Germany

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and Its Pivotal Position in Europe's Fastener Distribution

Europe is always known as one of the major markets for industrial fasteners globally. Supported by advanced technologies and smart manufacturing within a large group of manufacturers in this region, specialized and application-specific fasteners are in high demand in this market. Other than technical features, price competition considerably impacts European fasteners market trends.

Germany recognized the epitome of high-demand industrial fastener market not only in Europe but also in the whole world. The fastener market in Germany is very attractive for local and international manufacturers, more specifically for Asian manufacturers and suppliers from developing countries, while the imports of intra-European origin continues its shrinking.

The fastener market in Germany has seen a terrific growth and improvement in the last ten years. That brings opportunities to international manufacturers and traders to export either relatively standard fasteners in high volumes at low prices, or specialized fasteners with reasonably higher price, into this market. Although, both have their own markets in Germany backed by diversity and development of industries in this country, the demand in the market tends to be more towards fasteners with particular usages.

Germany, with a population around 83 million, is the most populous country in the EU. The country is the heart of industrial advancement in the Europe and home of numerous globally known and large manufacturers. Germany, the biggest economy in the region, counted as number one trading partner by majority of the European countries such as France, Italy, the Netherlands, Belgium, Slovakia and Sweden. This could explain the vital role of Germany in European economy.

Industry is still the most important sectors of Germany's economy and it continues to create demand for fasteners. Although Germany is one of the largest manufacturers and exporters of industrial fasteners, this county still imports humongous amount of fasteners from regional and international manufacturers. Fastener manufacturers in Europe generate substantial portion of their revenue by exporting their products into German markets. The major destination of fasteners from Italy, Switzerland, UK, France and many other EU countries is Germany. Internationally, Taiwan and China are the largest exporters into the German market.

As stated earlier, Germany has a very attractive market for fastener exporters. The import from developing countries is growing fast as those countries are moving more towards producing specialized and high quality fasteners. The growth of industry 4.0 and advanced technologies, precisely in Germany, has made new demands for high quality and specialized fasteners.

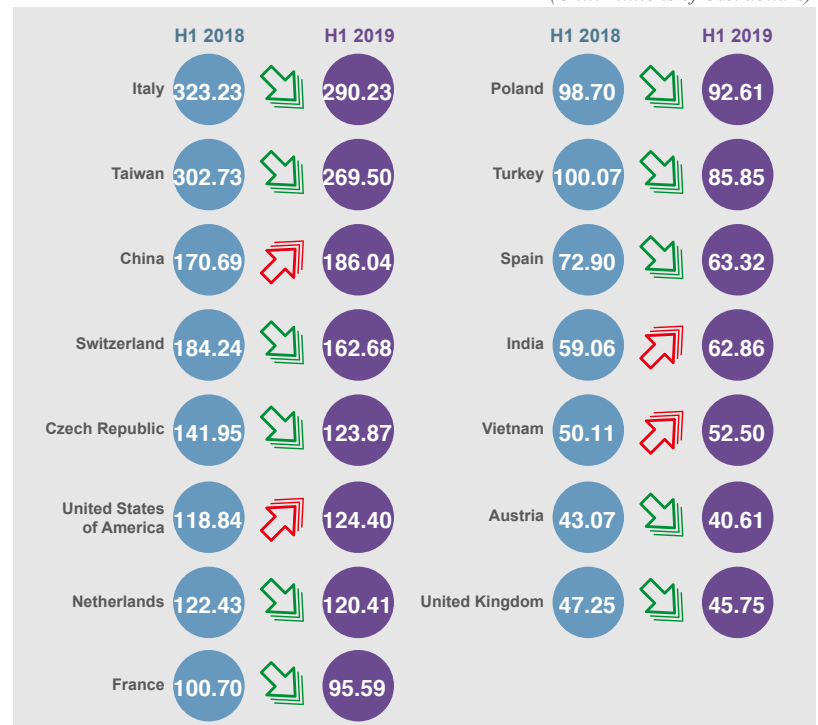
Italy, Taiwan and China are the leading suppliers to Germany. In the first half of 2019, the three countries together exported more than USD745 million fasteners to Germany. This amount is more than one third of the total fastener import by Germany, within the same period of time, which was USD2,128 million. It is notable that, in this section, the statistics provided for fasteners import and export concern all the codes in the Harmonised System (HS) in Chapter 7318, which cover screws, bolts, nuts, coach screws, screw hooks, rivets, cotters, cotter pins, washers, incl. spring washers, and similar articles, of iron or steel.

Top 15 fastener exporters to Germany in terms of value are shown in following graph. The comparison between the first half of year 2018 and the first half of 2019, exhibits that the US, India, France and China had some growth in exports while other major exporters faced their exports decline.

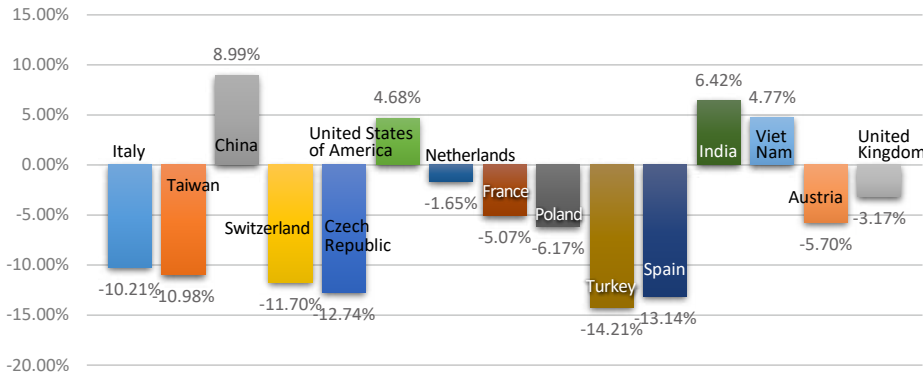
Although the advancement of technologies and booming of smart manufacturing largely required high quality and application-specific fasteners, standard and low price fasteners still are playing essential roles in the market. In addition to that, large supply from China leads to relatively strong price competition as European market being flooded with numerous unbranded, cheap and relatively low-quality fasteners from Chinese suppliers. This is especially the case for segments where brands are not important.

Fastener Import Origins of Germany in H1 2018 and H1 2019

(Unit: millions of U.S. dollars)



The YoY (H1 2019/H1 2018) Ratios of Fastener Import Origins of Germany

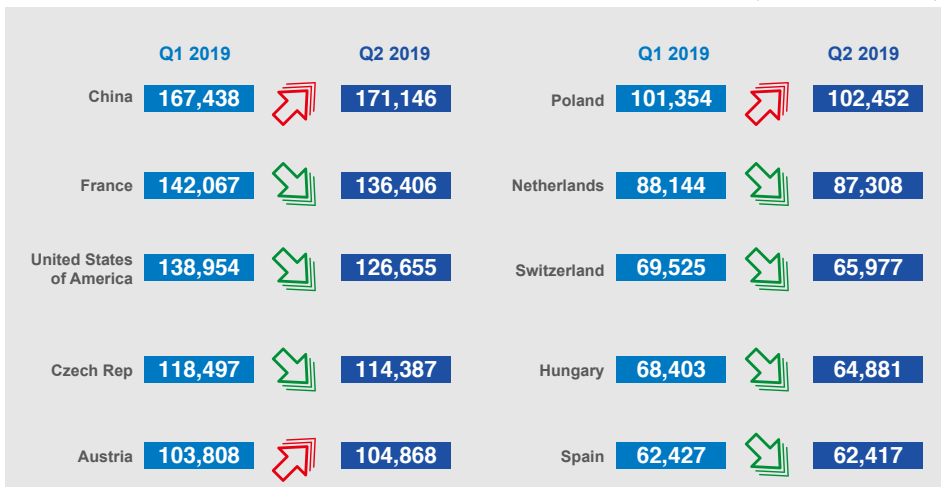


Quantity of Fastener Export to Germany (Tons)

Exporters	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019
World	260,333	259,082	270,192	250,973	256,308	242,446
Taiwan	48,220	47,120	49,134	42,292	44,599	41,064
Italy	36,923	38,103	34,315	32,234	34,525	34,080
China	33,092	31,049	38,958	38,472	36,778	31,180

Fastener Export Destinations of Germany in Q1 2019 and Q2 2019

(Unit: USD thousand)



Quantity of Fastener Export from Germany (Tons) – Top 10 Destinations

Importer	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019
France	21,895	21,464	17,854	15,970	21,897	21,594
Czech Rep	17,081	18,280	16,979	15,758	18,196	18,143
China	21,801	20,947	21,554	19,978	17,166	18,114
Netherlands	14,835	15,328	16,064	13,949	17,589	17,404
Poland	15,789	15,720	16,137	13,705	15,963	16,527
Austria	15,575	16,150	15,384	12,100	14,487	14,908
US	10,590	11,181	12,343	11,302	13,515	12,771
Spain	9,473	9,773	8,063	7,156	9,533	10,242
Hungary	8,952	9,419	9,142	8,333	9,475	9,165
Italy	9,408	9,412	8,327	7,456	8,733	9,127

In terms of the quantity of import, Taiwan is the leading supplier to German market. In 2018, Taiwan exported about 186,766 tons of fasteners to Germany. In the first half of 2019, Taiwanese fastener suppliers, shipped more than 85 thousand tons, slightly lower than their exports in H1 2018. There is a massive gap between the first three leading exporters, Taiwan, Italy, and China to compare with other exporters. Within the first two quarters of year 2019, three countries shipped more than 222 thousand tons of fasteners to Germany which is about 45% of the total quantity of German's imports.

After the US, Germany is the largest fastener importer while in terms of the value of export, Germany is the largest exporter followed by China and Taiwan. In the first two quarters of 2019, Germany exported more than USD 3,418 million worth of fasteners to the global market. China, France and the U.S. are the main destinations for German fasteners. Within the same period of time, Germany exported fasteners worth USD339 million to China, followed by France (USD 278.5 million) and the U.S. (USD265.6 million).

In 2018, Germany exported more than 913 thousand tons of fasteners globally. In the first half of 2019, this country exported about 474 thousand tons of fasteners which is slightly lower than the quantity of export in H1 2018, recorded with 478 thousand tons.

Germany is the number one manufacturer in almost every industry in Europe and it is expected to continue its dominance in the region. The largest market segment for fasteners still remains with the automotive industry, while more demands for specialized fasteners generated. Industry 4.0 and smart manufacturing continue their growth and will influence on transformation of fastener manufacturing and supply chain more than ever before.

Sources:
Exporting fasteners to Europe, CBI,
Ministry of Foreign Affairs
TradeMap, Trade statistics for
international business development

