## Shock Absorber Nuts Induce T-Cross for Recall

A recall involving Volkswagen vehicles T-Cross, model 2020 started since July 2020. In a press release, Volkswagen Brazil reported that the possibility of fixing the upper nuts for fixing the belts on the front shock absorbers was found. The loosening of these components causes noise in the suspension and, in the case of continual use in this condition, nuts and buckles can come loose, compromising the stability of vehicles causing physical harm and fatality to the occupants of vehicles. Such repair implies the replacement of nuts and application of chemical lock.

## **Brazilian Automotive Production:** July Results Bode Recovery

**Brazilian News** 

As one of the most important thermometers for the fastener industry, the Brazilian automotive vehicle production, in the first half of 2020, had a giant fall due to the pandemic, but the restart of industrial activities has returned some hope for the end of 2020 to be less disastrous than estimated in several economics analyses.

Normally, the ideal way would be to show just the first half year, however it became essential to include July 2020 because it was the last complete month with normal activities in Brazil, since February.

Of course, the Covid-19 impact hit everybody, and the last result has shown a partial recovery. That is not a miracle, but already is a light at the end of a tunnel.

According to the Anfavea (the Brazilian Automotive Industry Association), the January-July 2020 period ended with 847,784 cars/light commercial vehicles produced (1,658,279 units in the same period of 2019 / down 48.8%); 41,617 trucks (66,314 units / down 37.25%); 10,211 buses (16,704 units / down 38.80%) and 24,691 agricultural/road machinery (30,875 units / down 20.03%).

Regarding the motorcycles sector, in the first seven months of 2020 Brazil produced 490,137 units (628,818 units / down 22.06%), according to the Abraciclo (the Brazilian Motorcycle Industry Association).

### Steel Production Decreased 17.9%

The crude steel production in Brazil fell by 17.9% in the first half of 2020 compared to the same period in 2019, while domestic sales suffered about a 10.5% drop from January to June, the same decreasing percentage of apparent consumption (-10.5%). Exports decreased 8.1% and imports decreased 17.0%.

The sector's negative performance in the 1st half of 2020 was likely due to the pandemic. However, the figures for June in relation to May were already the best, reflecting the beginning of a recovery path.

Domestic steel sales in June showed an increase of 29.6% compared to the previous month, while consumption was below 29.4% and an increase of 14.5%. Steel production in June, however, fell by 5.0% over the previous month.



Currently operating at only 48.5% of its installed capacity, that sector has 32 blast furnaces, but 10 of them are paralyzed.

In the domestic market, the sector's expectation is that infrastructure and civil construction projects will be the main drivers for consumption of steel products.

#### Gerdau Gained Profit in Q2

Entering the 120th year from its founding (1901), Gerdau is the largest Brazilian steel producer and one of the main suppliers of long steel in the Americas and special steel in the world. Present in 10 countries with more than 30 thousand direct and indirect employees in all of its operations, Gerdau's shares are listed on São Paulo (B3), New York (NYSE) and Madrid (Latibex) stock exchanges.

The company ended the second quarter (Q2) 2020 with adjusted EBITDA (earnings before interest, taxes, depreciation, and amortization) around R\$ 1.3 billion, with an EBITDA margin of 15.1%. The result was influenced by the gradual recovery of steel consumption levels in Brazil, after the impacts caused by the Covid-19 pandemic.

In Q2, the sales of long steel rose 10% over Q1, thanks to the resilience from building construction and exports.

#### THE BRAZILIAN AUTOMOTIVE PRODUCTION 2019 - 2020

	Cars/light commercial vehicles		Trucks		Buses		Motorcycles		Agricultural/ road machinery	
	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020
Jan.	190,415	183,136	6,811	7,169	1,919	1,426	83,920	100,292	2,906	2,941
Feb.	245,782	192,516	9,631	9,131	2,526	2,556	101,305	94,442	3,448	3,585
Mar.	230,773	179,560	8,319	8,406	1,671	1,992	91,535	102,865	4,462	4,271
Apr.	255,351	1,048	9,412	403	2,798	396	91,226	1,679	4,418	1,820
May	261,742	37,807	11,230	4,054	2,775	1,219	100,998	14,809	5,072	3,649
Jun.	220,782	91,487	9,993	5,634	2,375	1,385	68,121	78,130	4,418	3,319
Jul.	253,434	162,230	10,918	6,820	2,640	1,237	91,713	97,920	6,151	5,106
Aug.	256,360		10,732		2,666		114,738		5,593	
Sep.	234,636		10,406		2,413		92,894		4,795	
Oct.	274,583		11,286		2,650		109,118		5,189	
Nov.	216,645		8,764		2,046		93,128		4,386	
Dec.	163,338		5,974		1,192		69,062		2,287	
	Total J	Jan-Jul.	Total Jan-Jul.		Total Jan-Jul.		Total Jan-Jul.		Total Jan-Jul.	
	1,658,279	847,784	66,314	41,617	16,794	10,211	628,818	490,137	30,875	24,691
		₩-48.80%		₩-37.25%		₩-38.80%	11	₩-22.06%		₩ -20.03%

Sources: Anfavea/ Abraciclo

## New Recall Involving Bicycle Cranks

The Procon-SP (the local consumer protection entity) published in July 2020 a recall for failure in fastening on bicycle cranks, from Sirrus and Sirrus X models, sold between 2019 and 2020. The responsible company is Specialized Brazil, which must provide any clarifications that are necessary, as determined by the law.

In the statement, the company informs that the cranks may not have been fastened according to the factory specifications, which may come loose and result in a sudden loss of control and cause accidents.

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## BelZAN Entered a Large-scale Project

The Belebeyevsky plant "Avtonormal" (BelZAN) will start producing parts and components for endoprosthetics and traumatology. The implementation of the project will completely cover the needs of the national healthcare for such products within five years.



To implement it, it was necessary to sign an agreement with the "TREK-E Composite" company, and as a result, BelZAN will implement a full cycle of production of components for endoprostheses, medical bolts and instruments.

"Today the enterprise is already 85% equipped with the necessary equipment. The production of components and fasteners in Russia will reduce the cost of prosthetics by 20%", - said Oleg Yevtushenko, executive director of "Rostec". Production of the first batch is scheduled for the end of this year.

In 2021-2022, the plant will begin the development of components for knee prostheses, launch the production of zirconium pins for dental prosthetics and expand the range of fasteners and instruments for operations from various types of metals. The volume of production will amount to 100 thousand blanks of ball-shaped heads for endoprostheses and 3 million rod products per year.

The general director of "RT-Capital", Kirill Fedorov, believes that this niche market is extremely promising, since the share of the domestic producers, that applies for it, does not exceed 7%. According to him, the capacity of the medical instrument market in Bashkiria itself exceeds 1 billion rubles.

# Frame Anchors for the Installation of Windows and Doors Began to be Produced in Russia

The most common fastener for installing windows is a frame anchor. Until now, this fastener has been imported to Russia from abroad. Currently, we can talk about the beginning of the process of import substitution in this segment of the fastening market.



"VsV" company has mastered the production of a frame metal anchor for the installation of windows and doors.

M<sub>T</sub>

MMK-METIZ Develops a New Type of Fasteners and Wire

Thanks to the investment program of 2017-2020, new installed equipment will expand the range of fasteners and increase production capacity for the popular types of products.

For example, MMK-METIZ is currently working on the development of a screw for ventilated facades and already made a pilot batch of 7x105 mm screws. There are no Russian manufacturers producing this type of fasteners. Advanced technology and high-performance cold-heading, hot-heading, thermal, galvanizing equipment make it possible to obtain fasteners with a strength class from 3.6 to 10.9, coated and uncoated.

Also, the company started the production of high-strength bolt assemblies for the HR system according to EN 14399-1:2005 for pretensioning. The first batches of fasteners with a diameter of M20 and M24 with a bolt strength class of 10.9 were shipped to consumers. Currently, this high-strength fastener is in great demand in the assembly of metal structures and in bridge construction.

compiled by Fastener World Alexander Ostashov, editor of "Fasteners, Adhesives, Tools and..." Magazine Mariya Valiakhmetova, editor of "Metiz" Magazine