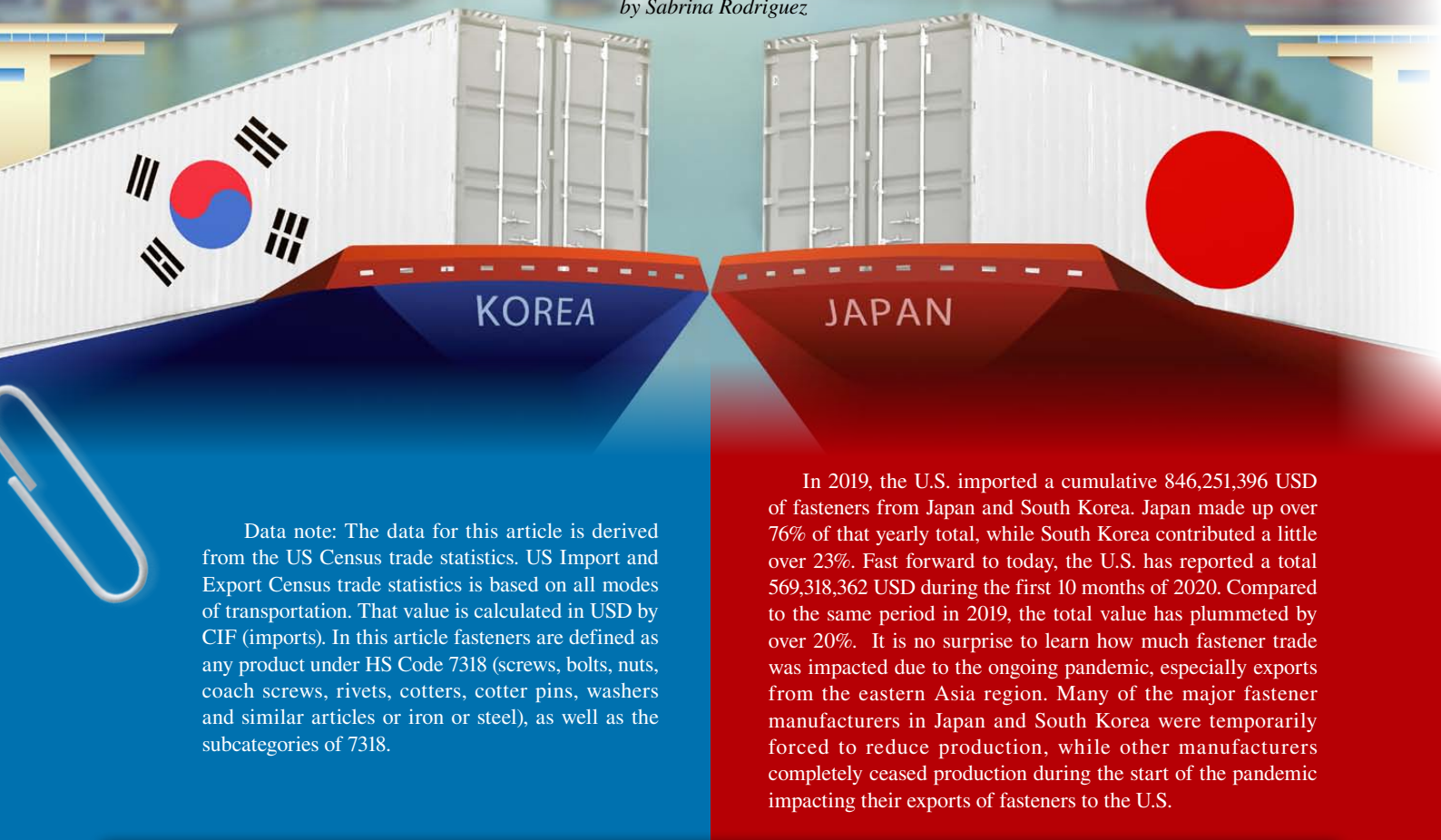


U.S. Imports of Fasteners Within the South Korean vs Japanese Market

An analysis on U.S imports of fasteners from South Korea and Japan. Has the South Korean and Japanese market of fasteners suffered during the recent pandemic? Has the U.S maintained a high demand of fasteners from the Asian markets? Have there been any significant trends in U.S. imports of fasteners?

by Sabrina Rodriguez



Data note: The data for this article is derived from the US Census trade statistics. US Import and Export Census trade statistics is based on all modes of transportation. That value is calculated in USD by CIF (imports). In this article fasteners are defined as any product under HS Code 7318 (screws, bolts, nuts, coach screws, rivets, cotters, cotter pins, washers and similar articles or iron or steel), as well as the subcategories of 7318.

In 2019, the U.S. imported a cumulative 846,251,396 USD of fasteners from Japan and South Korea. Japan made up over 76% of that yearly total, while South Korea contributed a little over 23%. Fast forward to today, the U.S. has reported a total 569,318,362 USD during the first 10 months of 2020. Compared to the same period in 2019, the total value has plummeted by over 20%. It is no surprise to learn how much fastener trade was impacted due to the ongoing pandemic, especially exports from the eastern Asia region. Many of the major fastener manufacturers in Japan and South Korea were temporarily forced to reduce production, while other manufacturers completely ceased production during the start of the pandemic impacting their exports of fasteners to the U.S.

United States Import from Japan vs S. Korea (2019 vs 2020)

Product HS : SCREWS, BOLTS, NUTS, COACH SCREWS, SCREW HOOKS, RIVETS, COTTERS, COTTER PINS, WASHERS AND SIMILAR ARTICLES, OF IRON OR STEEL

Country of Origin	01/01/2019 - 10/31/2019		01/01/2020 - 10/31/2020		Volume Change	
	General Total Value CIF (USD)	%	General Total Value CIF (USD)	%	General Total Value CIF (USD)	%
Japan	547,735,693	76.63	421,231,244	73.99	-126,504,449	-23.10
S. Korea	167,068,005	23.38	148,087,118	26.02	-18,980,887	-11.37
Total	714,803,698	100.00	569,318,362	100.00	-145,485,336	-20.36



Understanding the South Korean Fastener Market

South Korea accounted for 23.4% of fastener exports to the U.S. in 2019, and Japan accounted for over triple of that. Similarly during the first 10 months of 2020, South Korea has exported a total of 26% and Japan has exported 74%. South Korean manufacturers such as Korea Part & Fasteners and Dongkuk Steel are dominating the fastener market and are maintaining a competitive advantage with innovation and technology. These major Korean manufacturers along with several of their closest competitors have maintained a steady stream of exports to the U.S. over the last 4 years. Exports to the U.S from South Korea peaked in 2016 with 220,695,373 USD and have been falling shy of that total ever since.

It was not until February 2020 that the U.S. first faced its first decrease in fastener imports from South Korea. The total imports of fasteners in February dropped to 14,655,110 USD, and then dropped again in June 2020 to 8,797,374 USD. The U.S. saw the highest value of fastener imports in March, followed by the second highest value in October. Judging by the month of October, the last two months of the year appear very promising, however, it is unlikely for the total value of 2020 to reach the total of 2019.

During the first 10 months of 2020, South Korea doubled their exports of 73181550 from 6.48% in 2019 to 13.51% in 2020. Exports of 73182200 also increased by a mere .44% during the first 10 months of 2020 by comparison to the same period of 2019. 73181520, 73181580 and 73181600 continued to be the three highest imported subcategories of fasteners during 2020.

United States Import from Japan vs S. Korea (Monthly)

Product HS : SCREWS, BOLTS, NUTS, COACH SCREWS, SCREW HOOKS, RIVETS, COTTERS, COTTER PINS, WASHERS AND SIMILAR ARTICLES, OF IRON OR STEEL

Country of Origin	2020 - JAN		2020 - FEB		2020 - MAR		2020 - APR		2020 - MAY	
	General Total Value CIF (USD)	%	General Total Value CIF (USD)	%	General Total Value CIF (USD)	%	General Total Value CIF (USD)	%	General Total Value CIF (USD)	%
Japan	49,209,217	74.00	53,073,278	78.37	55,575,578	72.57	50,705,510	74.67	33,622,337	72.44
S. Korea	17,292,256	26.01	14,655,110	21.64	21,008,902	27.44	17,206,389	25.34	12,795,730	27.57
Total	66,501,473	100.00	67,728,388	100.00	76,584,480	100.00	67,911,899	100.00	46,418,067	100.00
Country of Origin	2020 - JUN		2020 - JUL		2020 - AUG		2020 - SEP		2020 - OCT	
	General Total Value CIF (USD)	%	General Total Value CIF (USD)	%	General Total Value CIF (USD)	%	General Total Value CIF (USD)	%	General Total Value CIF (USD)	%
Japan	25,414,355	74.29	26,215,306	71.21	34,771,179	70.66	43,066,286	77.99	49,578,198	72.16
S. Korea	8,797,374	25.72	10,598,786	28.80	14,440,590	29.35	12,158,636	22.02	19,133,345	27.85
Total	34,211,729	100.00	36,814,092	100.00	49,211,769	100.00	55,224,922	100.00	68,711,543	100.00

United States Import from Japan vs S. Korea

Product HS : SCREWS, BOLTS, NUTS, COACH SCREWS, SCREW HOOKS, RIVETS, COTTERS, COTTER PINS, WASHERS AND SIMILAR ARTICLES, OF IRON OR STEEL

Country of Origin	2016		2017		2018		2019	
	General Total Value CIF (USD)	%	General Total Value CIF (USD)	%	General Total Value CIF (USD)	%	General Total Value CIF (USD)	%
Japan	645,603,874	74.53	648,194,818	77.46	644,506,115	76.50	648,298,263	76.61
S. Korea	220,695,373	25.48	188,722,047	22.55	198,057,295	23.51	197,953,133	23.40
Total	866,299,247	100.00	836,916,865	100.00	842,563,410	100.00	846,251,396	100.00



Is Japan Leading the Fastener Market?

When compared to South Korea, Japan is leading in fastener trade with the U.S. by exporting nearly three times as much as South Korea. Japan has maintained a fastener export value of nearly three times as much as South Korea since 2016, and it looks like 2020 will be no different. On a larger scale, Japan trails Taiwan and China which have consistently proven to be the largest manufacturers of fasteners in Asia.

The largest Japanese manufacturers exporting fasteners to the U.S. are NTN Corporation and Aoyama Seisakusho. These two manufacturers are amongst a large array of manufacturers in Japan supplying the ever long U.S. demand for fasteners. While NTN is headquartered in Japan, many of the U.S. importers of NTN bearings are NTN subsidiaries in the midwestern portion of the U.S.

Fortunately for the Japanese market, manufacturers have maintained a very stable yearly total value of fastener exports to the U.S. As we have been witnessing in 2020, trade has decreased and Japanese exports to the U.S. were no exception. During the first 10 months of 2020, Japan exports to the U.S. decreased by a little over 23% by comparison to the same period in 2019. That 23% accounts for a decrease in value of 126,504,449 USD which is an extremely significant amount. It first became evident in May 2020 when Japan significantly reduced their fastener exports to the U.S. demonstrating how much the pandemic was impacting manufacturing and how much U.S. demand had decreased, even if it was only temporary. The U.S. reported 33,622,337 USD in May, followed by 25,414,355 USD in June and 26,215,306 USD in July. It was not until August that the U.S. saw an increase totaling 34,771,179 USD followed by an upwards trend in the following months.

United States Import from Japan						
Product HS : SCREWS, BOLTS, NUTS, COACH SCREWS, SCREW HOOKS, RIVETS, COTTERS, COTTER PINS, WASHERS AND SIMILAR ARTICLES, OF IRON OR STEEL						
Product HS (8)	01/01/2019 - 10/31/2019		01/01/2020 - 10/31/2020		Volume Change	
	General Total Value CIF (USD)	%	General Total Value CIF (USD)	%	General Total Value CIF (USD)	%
73181600 - Nuts, Threaded, Of Iron Or Steel	149,351,822	27.27	112,251,888	26.65	-37,099,934	-24.85
73181580 - Threaded Screws And Bolts Others, With Or Without Their Nuts	116,921,557	21.35	88,130,103	20.93	-28,791,454	-24.63
73181520 - Threaded Screws And Bolts Others, With Or Without Their Nuts	91,387,064	16.69	75,682,915	17.97	-15,704,149	-17.19
73182200 - Washers, Other Than Lock Washers, Of Iron Or Steel	40,072,626	7.32	30,368,568	7.21	-9,704,058	-24.22
73182900 - Nonthreaded Articles (Fasteners) Others, Of Iron Or Steel	39,082,951	7.14	25,513,031	6.06	-13,569,920	-34.73
73181410 - Self-Tapping Screws, Threaded, Of Iron Or Steel	24,669,936	4.51	19,226,350	4.57	-5,443,586	-22.07
73181550 - Threaded Screws And Bolts Others, With Or Without Their Nuts	24,490,996	4.48	17,806,277	4.23	-6,684,719	-27.30
73182400 - Cotters And Cotter Pins, Of Iron Or Steel	17,072,046	3.12	14,969,622	3.56	-2,102,424	-12.32
73181560 - Threaded Screws And Bolts Others, With Or Without Their Nuts	16,869,650	3.08	15,841,078	3.77	-1,028,572	-6.10
73181450 - Self-Tapping Screws, Threaded, Of Iron Or Steel	7,204,075	1.32	4,586,761	1.09	-2,617,314	-36.34
Total	547,735,693	100.00	421,231,244	100.00	-126,504,449	-23.10



Japan exports of fasteners decreased across all the subcategories of 7318 during the first 10 months of 2020 by comparison to the same period in 2019. The most significant decrease was within subcategory 73182900 which decreased by 34.7% in 2020. Other subcategories that decreased significantly in 2020 include 73181550, 73181580 and 73181600.

Looking into the Future: Fastener Trade with the U.S.

It is difficult to know if companies will be able to recuperate the revenue lost during this extremely challenging year and end up finishing strong. There has been a significant shift away from trade negotiations with China this year, however, the next presidential administration will likely need to act quickly and renegotiate trade laws with China. Until then, U.S. companies may continue to source fasteners and other steel commodities from other countries to avoid paying exuberantly high tariffs on Chinese goods.

Major U.S. corporations are still in high demand of commodities such as fasteners, especially automotive companies. Chrysler and Toyota are two of those main companies in the U.S. importing fasteners. Other industrial manufacturers in the U.S. are also continuing to source fasteners from foreign markets in order to sustain their own production of goods. As many in the business world would say 'the show must go on.' Despite the pandemic, companies are learning to work smarter and become more innovative during these times. Markets around the world are beginning to experience relevant stabilizations when it comes to trade patterns which gives hope for a better tomorrow.

United States Import from S. Korea						
Product HS : SCREWS, BOLTS, NUTS, COACH SCREWS, SCREW HOOKS, RIVETS, COTTERS, COTTER PINS, WASHERS AND SIMILAR ARTICLES, OF IRON OR STEEL						
Product HS (8)	01/01/2019 - 10/31/2019		01/01/2020 - 10/31/2020		Volume Change	
	General Total Value CIF (USD)	%	General Total Value CIF (USD)	%	General Total Value CIF (USD)	%
73181600 - Nuts, Threaded, Of Iron Or Steel	48,517,715	29.05	40,496,227	27.35	-8,021,488	-16.54
73181580 - Threaded Screws And Bolts Others, With Or Without Their Nuts	43,321,764	25.94	35,205,248	23.78	-8,116,516	-18.74
73181520 - Threaded Screws And Bolts Others, With Or Without Their Nuts	39,672,689	23.75	31,656,203	21.38	-8,016,486	-20.21
73182200 - Washers, Other Than Lock Washers, Of Iron Or Steel	10,817,842	6.48	20,001,752	13.51	9,183,910	84.90
73182900 - Nonthreaded Articles (Fasteners) Others, Of Iron Or Steel	7,610,461	4.56	5,453,695	3.69	-2,156,766	-28.34
73181410 - Self-Tapping Screws, Threaded, Of Iron Or Steel	3,982,771	2.39	4,000,184	2.71	17,413	0.44
73181550 - Threaded Screws And Bolts Others, With Or Without Their Nuts	3,716,858	2.23	2,989,269	2.02	-727,589	-19.58
73182400 - Cotters And Cotter Pins, Of Iron Or Steel	3,622,613	2.17	2,673,505	1.81	-949,108	-26.20
73181560 - Threaded Screws And Bolts Others, With Or Without Their Nuts	2,110,210	1.27	1,575,647	1.07	-534,563	-25.34
73181450 - Self-Tapping Screws, Threaded, Of Iron Or Steel	1,623,984	0.98	1,250,205	0.85	-373,779	-23.02
Total	167,068,005	100.00	148,087,118	100.00	-18,980,887	-11.37

