

American News

Compiled by Fastener World

Supply Chains Worsen for U.S. Importers

Supply chain issues are worsening for U.S. importers. But domestic manufacturers are not interested in orders that merely supplement what distributors are importing, according to Doug Ruggles, President of Martin Fastening Solutions.

While importers have been forced to change their business process during the pandemic, there is no substitute for face-to-face interactions, according to a forum from the Taipei Economic and Cultural Office and Crain's Chicago Business.

Importers buy fasteners from Taiwan because of consistent quality, Ruggles added.

"As soon as Section 301 tariffs went into effect, we utilized our Taiwan connection to meet our needs," stated Joe Nagle, Sr. Manager, Strategic Sourcing, Customer Solutions, Lawson Products.

In today's world, businesses have fewer resources and less time to continually vet their sources. Supply chain issues are keeping Taiwan fastener imports down.

"It's not a shift away from Taiwan at all," Ruggles noted.

A lot of customers are going back to domestic fastener manufacturers due to 22-24 week lead time one year ago; now its 32-40, according to Jon Najeski, Manager of Purchasing of Screws Industries Inc.

"A lot of industries can't wait that long to get product."

"The capacity to meet demand is not there in the U.S., so we have to supplement with overseas suppliers," noted Ruggles. "This is nothing new."

Infrastructure spending in the coming years will drive ongoing fastener demand, Nagle predicted.

Taiwan exports 1.36 million tons of fasteners each year at a value of US\$3.99 billion. The U.S. imports 609,000 tons of Taiwan fasteners each year at a value of \$1.69 billion.

Bartel Advises IFE: Take Action on Inventory

While lead times rose in 2020 before the Covid-19 pandemic, Josh Bartel termed today's high demand and longer lead times as a "Covid double whammy."

Suppliers need to change their sales forecasting based on past sales, Bartel, CEO of Hydrian Inventory Optimization, said in an International Fastener Expo conference session. Upon Covid, Q2 "demand sunk" while orders were still arriving. By relying on sales, suppliers got "gun shy on buying" during 2020 Q2.

Since the summer of 2020, "demand has been recovering and lead times extending," Bartel said. Lead times have doubled in the past year.

A company may now have 10 days inventory, but the lead time has increased to 42 days. "We have nothing when the customer wants it."

He cited an example of having 20+ days inventory last year and being down to 12 days now.

If your inventory is dwindling, you can be losing sales, Bartel warned.

• "Take action right away" to restock, Bartel urged. If a supplier can't ship to one location, can shipments be diverted to a branch? Bartel suggested. "Working with your vendors is critical," Bartel declared.

FDI Hampered By Supply Chain & Labor Issues

The seasonally adjusted August FDI (55.4) moderated from July's 59.6, reflecting "lower employment levels and a softer seasonally adjusted sales index (-7.7 m/m)," according to R.W. Baird analyst David Manthey.

Pricing, however, continued to accelerate amid raw material inflation, inventory/labor shortages at the supplier level, and robust demand. This resulted in further improvement in the FDI Pricing month to month index.

"In addition to extended lead times, labor shortages, and freight delays impacting respondents' ability to meet orders, the ongoing semiconductor chip shortage continues to have negative impacts on demand (most likely in auto) for some respondents," Manthey writes.

After four months of decline, the seasonally adjusted Forward Looking Index rose to 73 due to "extremely low (and weakening)



customer inventory levels, which could be a positive for future demand, as well as a better six-month outlook,” according to Manthey. With the exception of the employment index, which continues to be impacted by labor shortages, all other FLI components (respondent inventory levels, customer inventory levels, and six-month outlook) improved in August.

The FDI employment index declined to 53.8 from 61.3 in July. Just 19% of respondents saw employment levels as above seasonal expectations vs. July’s 26% as the job market remains extremely tight, “although the recent expiration of enhanced federal unemployment benefits could spur additional return to the labor force.”

Labor and logistics constraints continue to be respondents’ top concerns.

“Continued supply chain challenges due to port/rail congestion, raw material availability,” one respondent commented. “Labor remains scarce.”

“In my 30+ years in the business I don’t think I have ever had such a difficult time meeting demand,” another noted.

Lastly, semiconductor chip shortages also remain a headwind for some respondents: “With delay in imported material and computer chips, our sales are down by as much as 15% and doesn’t look like it is going to improve anytime soon.”

BUFAB CSG

Bufab To Acquire Component Solutions

Bufab agreed to acquire all outstanding shares of Dayton, OH-based Components Solutions Group, Inc. (CSG) for \$26 million.

Founded in 2000, CSG distributes fasteners and other C-class components, with annual sales of approximately \$30 million. CSG also owns three subsidiaries - two in Ohio and one in Kentucky. Under the leadership of current president Ernie Riling and minority owners Matt Coy, Ken DeCrane, Thomas Girgash and Rick Clark, CSG has expanded employ 85 workers and generated a 10% operating profit. “By joining Bufab, we will be able to continue to improve our customer offering, grow our business and strengthen our team,” stated Riling. “I am pleased to continue as President and CEO at CSG.

Founded in 1977 in Sweden, Bufab has operations in 27 countries. Bufab has 1,350 employees. Bufab’s net sales for the past 12 months amounted to Swedish Krone 4.2 billion (US\$432 million) and the operating margin was 9.5%.

UK’s Trifast Acquires Falcon Fastening



UK-based Trifast plc acquired Falcon Fastening Solutions Inc. Charlotte, NC-based Falcon is a North American fastener distributor and will be rebranded as TR Falcon. Trifast paid US\$8.3 million for Falcon.

Trifast CEO Mark Belton said the “Carolinas region is a strategically important area for us where a number of our global OEMs have facilities.” “We believe that the combination of Falcon and Trifast’s locations, experience, knowledge base and skill sets will open significant opportunities to expand the service and portfolio offering to both existing and new customers on a domestic and international basis. We look forward to working together to create a stronger presence for Trifast in North America.”

Falcon Metal Corporation was founded in 1979 by Bruce Roberts and Nancy Roberts. Don Nowak joined Falcon in 1997 from Hoyt Fasteners in Chicago and acquired the distributorship in 2008. The name was changed to Falcon Fastening Solutions in 2014. Current president and major shareholder Giovanni Cespedes, who joined Falcon in 2008 and acquired it from Nowak in 2018, will remain with the business.

Today Falcon Fastening distributes industrial fastenings and class C components and from locations in North Carolina and Kentucky. Over 90% of production components supplied by Falcon are customer specials. Falcon specializes in customized supply chain solutions that support lean principles. Trifast announced it intends to retain all staff at both Falcon and US operations.

For 2020, Falcon reported EBITDA of US\$1.27 million. Trifast chair Jonathan Shearman described the Falcon acquisition as “our next step into the North American market, and we are confident that this business, alongside our existing Houston operation provides a springboard to further develop our presence within this important region.” Cespedes termed the acquisition a “fantastic opportunity for Falcon’s employees, customers and suppliers. Becoming part of Trifast gives all of us at Falcon the opportunity to work more closely with a well-respected international business.”

Nucor Expanding Fastener Division

Nucor Corp., Charlotte, NC, USA, will expand its Nucor Fastener division with the acquisition of an existing state-of-the-art coil processing facility in Shelbyville, IN, USA. This facility includes an automated clean and coat line, two STC® furnaces and wire drawing capabilities. In addition to coil processing, Nucor will also expand fastener manufacturing capabilities by installing bolt making equipment at the Shelbyville facility. This new operation will employ some 33 team members with the potential to double those jobs. “We are excited to grow our Fastener Division with the acquisition of these assets,” said Joey Loosle, Nucor Fastener GM. “Adding bolt making capability to the Shelbyville facility will help expand our offerings to the automotive, heavy truck, industrial/MRO and structural fastener markets.”



By recycling steel in electric arc furnaces, Nucor is among the cleanest steel producers in the world, with greenhouse gas emissions that are one-third of the global steelmaking average and nearly one-fifth of the average blast furnace steel producer. Nucor’s Fastener Products are made with 97% recycled content, which is far more sustainable than fasteners produced from blast furnace steel made overseas.



Threaded Fasteners, Inc. Acquires RTC Threaders

Threaded Fasteners, Inc. (TFI), Mobile, AL, USA, a 100% employee-owned business specializing in the manufacturing, custom packaging and distribution of steel fasteners, has acquired RTC Threaders, formally Ruja Tooling Corp., based in Churubusco, IN, USA. RTC was founded in 1971 by Jack Pease, and today RTC runs under the direction of his son, Rick Pease, and it is the premier manufacturer of planetary threading equipment in the USA. RTC has been the USA leader in manufacturing planetary threaders since 1971 and continues to innovate and develop new lines of threading machines. Also making the transition is long-term business associate Chuck Wilcoxson, who has been an integral part of the success of RTC from the beginning and is looking forward to this new chapter in the life of RTC.



“We are thrilled to have Rick and the RTC team join the TFI Family, I have had the privilege of getting to know Rick during this time and I was not only immediately impressed with the quality of the machines that he designed, but most importantly the quality of his character,” says Billy Duren, President and Chief Motivational Officer of Threaded Fasteners, Inc. “I had heard of RTC, but I really didn’t know much about their operation. I interviewed several people who had an RTC Planetary. One owner described the machine as a ‘beast,’ and another stated that

it was a ‘work horse.’ So, over the course of several months of conversations, both Rick and I began to see the value of combining our efforts and knowledge by making RTC part of the family of companies owned by TFI.” Depending on diameter the RTC Threaders Eagle Planetary Threading Machines can manufacture over 100 parts per minute. Machines are custom made to order and are available with quick change, modular, and single or double end units.



BUMAX Expands in USA

As part of a strategy to increase its presence in the North American market, Swedish leading manufacturer of high-strength stainless steel fasteners, BUMAX,

has hired Bo Andersson to the position of Business Development Manager for the USA. “We see the USA as a strategic focus market for BUMAX with huge potential for our premium stainless steel fasteners in a variety of industries,” said Lars Holm, Managing Director at BUMAX. “We will increase our efforts to capture new clients and new projects in North America in sectors like marine, oil and gas, energy, defense, pulp and paper and construction where durable and high-strength fasteners are increasingly required.” Industry veteran Bo Andersson will be responsible for growing the American market and making sure that BUMAX continues to provide excellent customer service as a “solutionist”.

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Main Products

- Nylon Washer
- Flat Washer
- Cap Nut
- Plastic Screw
- Plastic Nut
- Rubber O-Ring
- Various Plastic Products

主要產品

- 尼龍華司
- 墊圈、戴帽
- 塑膠螺絲
- 塑膠螺帽
- 橡膠O型環
- 各類塑膠橡膠製品

