

# Analysis of Fastening Tools Export of Japan

日本緊固工具出口分析



## The Fastener Market of Japan

Japan built its modernization on the back of its world-class manufacturing base. The country has a large and highly advanced manufacturing sector with the extensive global links. According to the Fasteners Institute of Japan (FIJ), the Japanese fastener industry comprises around 3,000 manufacturers that produce more than USD9.6 billion worth of fasteners annually supported by its strong distribution channels and trading companies by creating approximately USD4.3 billion in annual revenue.

The higher value of fastener exports from Japan to the global market compared with the smaller amount of imports has made Japan a self-sufficient country in the fastener industry. Based on trade statistics, the value of Japan's exported fasteners is more than 300% higher than its imported fasteners in recent years. This number sometimes can grow up to 500% or 600% in some categories.

## Fastening Tools: The Main Category

The evolution of industries such as aerospace, automotive, construction and railway sectors and several other cutting-edge industries builds high demands for industrial fasteners and thus for fastener tools. There are numerous types of fasteners and so, there are several tools available for securing industrial fasteners. In the following sections we look into the fastening tools trade statistics in Japan in recent years.

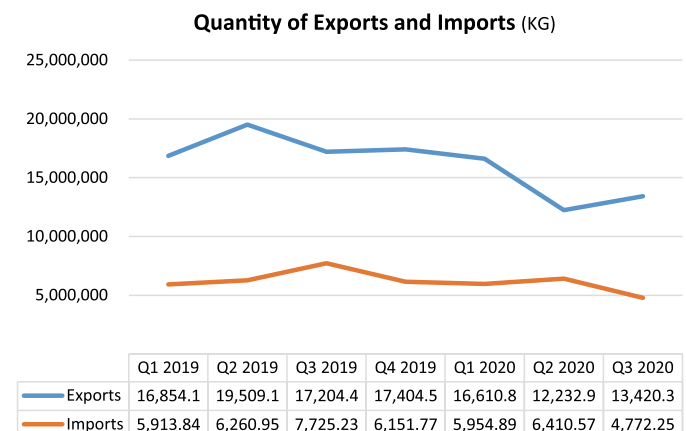
We start with the main category in the "Fastening Tool" which is known and identified by the HS Code of 8207 in the

international trade statistics and then we will dive into the key sub-category of this sector.

**In 2019, Japanese fastening tools manufacturers and distributors exported more than USD2.3 billion worth of tools to the global market. As mentioned earlier, in the fastener industry, the amount of exports, on average, is about 3 to 4 times higher than the amount of imports. In 2019, Japan imported USD624 million of tools into its market.**

In terms of the quantity of exports and imports, **Japan shipped 70.9 thousand tons of tools to its clients globally while importing about 25.8 thousand tons to the country.**

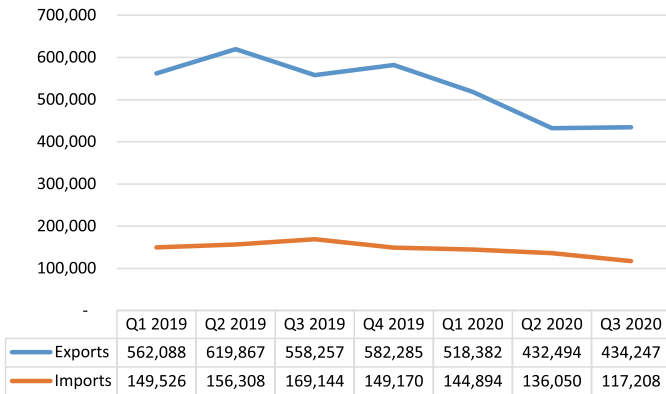
The chart below illustrates the "Quarterly Trade Statistics of Fastening Tools in Japan from Q1 2019 to Q3 2020."



With no doubt, The COVID-19 pandemic has seriously wounded the world's economy with severe consequences impacting the majority of industries including fastener trade. The quantity of export and import has been drastically reduced within the second and third quarters of last year and this impacts the value of trade.

**The table below exhibits the "Export and Import Values Amongst Japan's Leading Trade Partners."**

Trade Value (USD thousand)



Looking at the major exporters of fastening tools, **China and Korea have led the world in exports to Japan within the last 10 years.** China exported about USD179.3 million of fastening tools in 2019 followed by Korea with about USD163.3 million worth of fastening tools. **Other major exporters are Taiwan, Germany, Thailand, the U.S., and Vietnam.** Interestingly, the main destinations of fastening tools manufactured in Japan are China, the U.S., Thailand, Taiwan, Korea and Mexico.

The value of tools exported from Japan grew between 2016 and 2018, from USD2.1 billion to USD2.5 billion but reduced to USD2.3 billion in 2019 and reduced again in 2020 because of the pandemic. The highest amount of exports in the

last 10 years was registered in 2012 as Japanese exporters shipped more than USD2.7 billion worth of fastening tools to the global market. On the other hand, import statistics show a gradual rise within the last 10 years with a few ups and downs. The chart below show both imports and exports value of tools from 2012 to 2019. All these figures and big differences between import and export values again prove the fact that **Japan has made itself a self-sufficient country in fastener and fastening tools industries.**

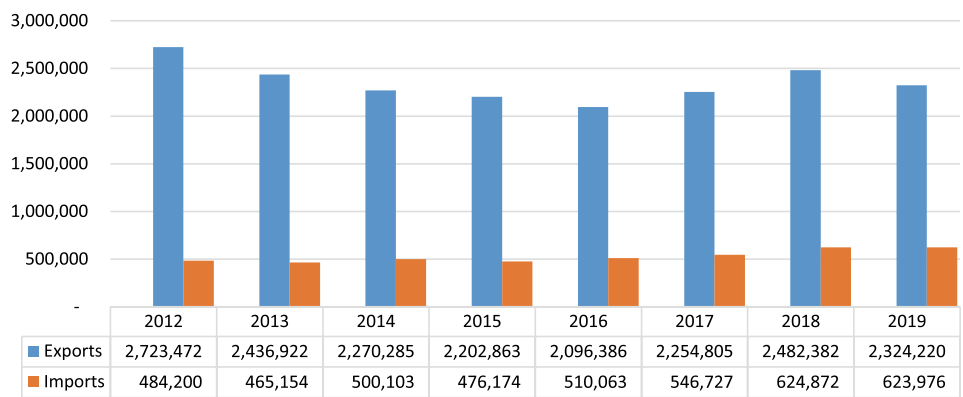
## Fastening Tools: The Largest Sub-Category

If we dive into the details of Fastening Tools category (HS Code: 8207), **the group under this category which has the highest amount of imports and exports is Interchangeable Tools for Pressing, Stamping or Punching.** The tools under this category registered more than USD1.1 billion export value in 2019, which means almost half of the total value of exports in the fastening tools category belong to interchangeable tools for pressing, stamping and punching (HS Code: 820730).

**Within the first 3 quarters of 2020, despite the pandemic, Japanese exporters delivered more than USD653 million worth of tools under this category to their clients globally which is equivalent to about 36 thousand tons of**

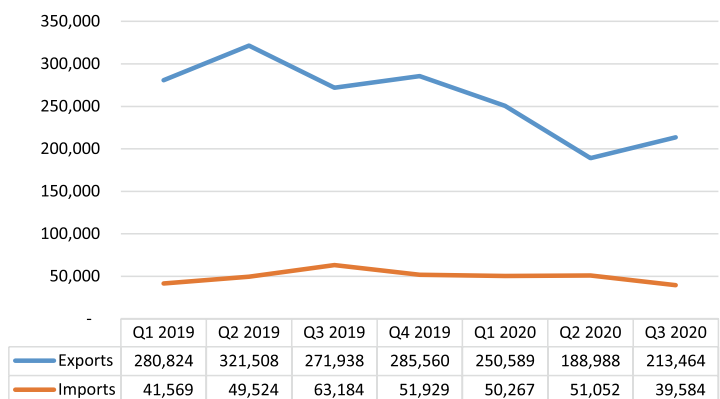
### Japan's Import and Export Values of Tools from Year 2012 to 2019

Exports vs Imports (USD thousand)



### The following charts below illustrate the "Values of Imports and Exports in This Category in the Japanese Fastening Tools Market."

Trade Value of Japn (USD thousand)



#### IMPORT VALUE - USD THOUSAND

	2015	2016	2017	2018	2019
U.S.A.	425,816	490,594	542,130	526,355	604,910
China	403,621	406,448	473,482	461,824	453,098
Thailand	183,538	155,171	171,448	179,365	193,562
Mexico	84,894	118,757	95,180	200,333	150,935
Korea	98,893	109,928	106,469	104,413	103,485

#### EXPORT VALUE - USD THOUSAND

	2015	2016	2017	2018	2019
China	118,432	118,445	134,437	159,815	179,296
Korea	111,205	133,776	136,733	158,790	163,294
Germany	42,444	41,464	44,550	45,976	41,957
Thailand	40,878	38,927	39,606	45,325	41,268
Taiwan	38,638	35,819	37,240	41,930	38,101

tools. The major destinations, were, again, the U.S. and China, and followed by other countries like Malaysia, Mexico, Thailand and Czech Republic.

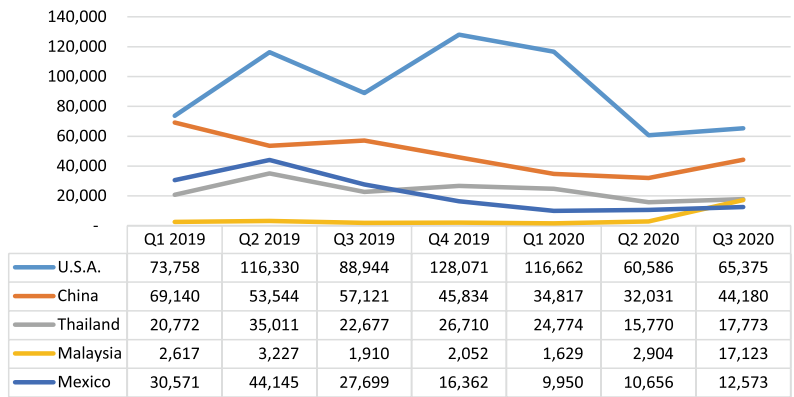
The U.S. has been on top of the list of export destinations for Japanese fastening tools for the last 10 years. Although during the pandemic, the value of export to the U.S. has been reduced, this country is still the largest importer of Japanese tools manufacturers. During last year, and because of the Covid-19 pandemic, Japan has found new strategic export markets. For instance, **Malaysia is one of those countries which has increased their fastening tools orders significantly during the pandemic situation.** As shown in the right table, in the third quarter of last year, Malaysia imported more than USD1.7 million worth of tools for pressing, stamping and punching and was ranked as the 4th largest importers. The value of import in Q3 2020 by itself was more than the total value of imports from Japan between Q1 2019 and Q2 2020 (USD14.4 million).

### Wrapping Up

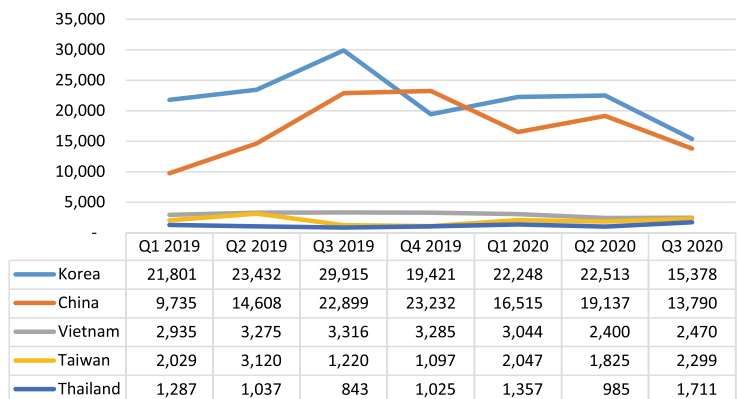
Despite of the pandemic, in the near future, growing gains in Japan's fastening tool sales are expected to continue its path. Technological advances in various aspects have allowed fastening tools to overcome several historical price and performance disadvantages. By moving more towards specializations, Japanese manufacturers could leverage further on their high technology and high quality advantages to compete with their major rival in the region, China. ▣

Sources: ITC, Trade statistics for international business development

Values of Exports from Japan (USD thousand)



Values of Imports to Japan (USD thousand)



# Stainless Steel Cable Ties & Hose Clamps





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