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Overview of the Industrial Fastener Market in Asia Pacific

Analysis and Forecast on Demand & Supply in Asia Pacific

The applications of industrial fasteners can be mainly divided into two categories. One is Original Equipment Manufacturer (OEM), and the other is Maintenance, Repair, and Operations (MRO). OEM is focused on automobiles, machinery & equipment, aerospace, and electronics, while MRO is focused on building hardware. Please see **Figure 1** below for the categorization of the industrial fastener market.

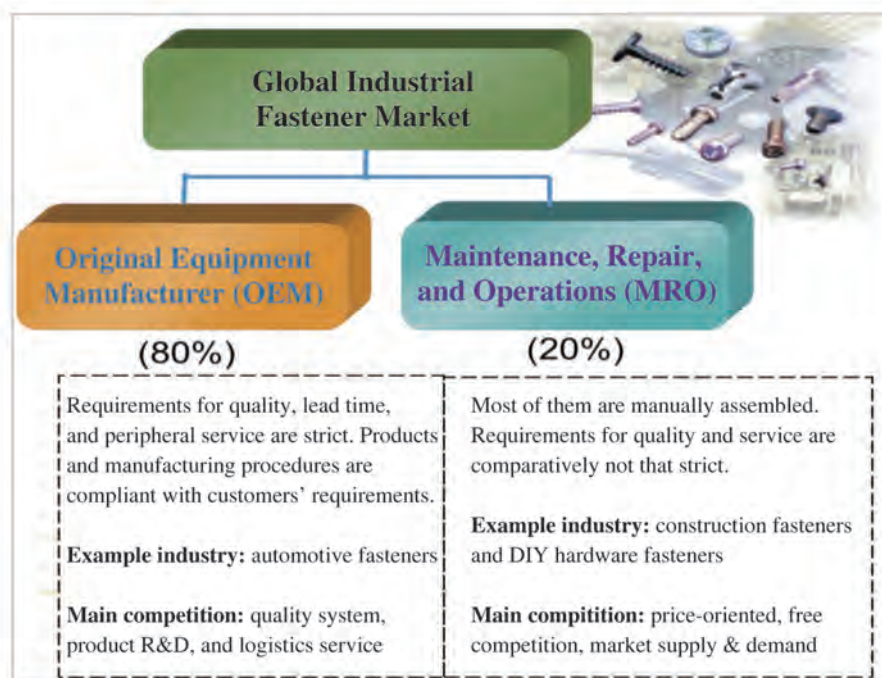


Figure 1. Categorization of the Industrial Fastener Market

Source: MIRDC

Asia Pacific has been the world's largest industrial fastener supply market. It represents 41% of the world's demand and more than 50% of the world's sales. It is expected that the demand will grow to 46% and the sales will grow to 56% by 2023. Please see **Table 1** for relevant data.

Table 1. Demand and Sales in Asia Pacific

Unit: 0.1 billion USD

	2003	2008	2013	2018	2023
Asia Pacific Market Demand	117.2	227.3	294.5	407.5	575.0
Share in the World's Demand	29.9%	34.7%	40.9%	43.4%	46.6%
Asia Pacific Market Sales	143.9	296.4	355.0	493.5	696.5
Share in the World's Sales	36.7%	45.3%	49.3%	52.6%	56.4%

Source: Freedonia/ compiled by MIRDC

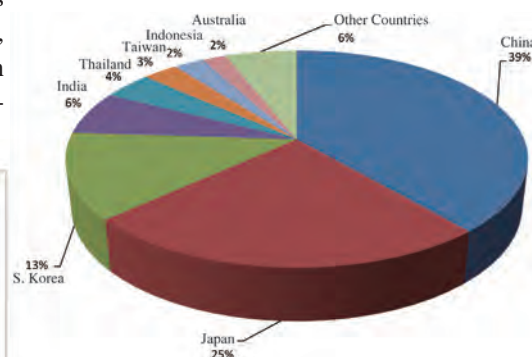


Figure 2. Percentage of Industrial Fastener Demand in Each Asian Country in Asia Pacific

Source : Freedonia 2013-2023 Report / compiled by MIRDC

The industrial fastener market in Asia Pacific is very flourishing and the period from 2008 through 2013 in particular shows the most significant growth. It is estimated that it will grow with a CAGR of 6.7% and its demand will grow to USD40.8 billion by 2018, which will represent 52.6% of the world's demand.

Fasteners are used in almost all industries. As a result, if one wants to have a clear picture of whether a certain country is highly industrialized, he can take a look at the fastener demand in the market. However, the Asia Pacific fastener market plays a very critical role in fastener "supply" and China is the largest supplier, followed by Taiwan. In terms of net exports, Taiwan's trade reached a surplus of over USD 3.8 billion, making it the 1st place in the net exports of the Asia Pacific market. On the other hand, if one takes a look from the perspective of demand, he will find that in the current Asian Pacific industrial fastener market, China shows the highest market share of 38.7%, followed by Japan at 24.6%. China and Japan represent more than 60% of the total Asia Pacific's market demand.

Other countries such as S. Korea, India, and Thailand also show some fastener demand. **Figure 2** shows the percentage of fastener demand of each industrial market in Asia Pacific.

Forecast on Fastener Market Demand in Asia Pacific

The automotive and motorbike industries are the most critical applied industries, making Asia Pacific industrial fastener market reach more than 30% of the world's market share. The 2nd largest applied market is machinery & equipment. As health concerns increase, more and more companies start to invest in the R&D of medical devices, making the demand for fasteners used in machinery & equipment hike. Some may observe that although the machinery & equipment industry is the 2nd largest applied industry in Asia Pacific industrial fastener market, its CAGR is higher than that of the automotive industry. Please see **Table 2**.

Table 2. The Demand of 3 Major Applied Industries in Asia Pacific Market During 2003~2023

Unit: 0.1 billion USD

	2003	2008	2013	2018	2023	CAGR
Automobiles	37.9	68.2	91.0	120.0	162.0	7.5%
Machinery	19.8	45.7	58.9	88.1	135.5	10.1%
Electronics	19.7	46.1	56.6	79.6	112.5	9.1%

Source: Freedonia/ compiled by MIRDC

Conclusion

As costs and efficiency are two factors considered by the European and U.S. markets, in the following 10 years Asia Pacific will still play as one of the major fastener manufacturing regions. For example, European and U.S. car manufacturers have been gradually relocating their manufacturing bases to Asia Pacific such as China and ASEAN, so the demand for automotive fasteners can be thus satisfied directly by local suppliers (this is why automotive fasteners are still the focused industry for Asia Pacific suppliers). On the other hand, the recent emergence of demand for medical devices also boosts the demand for fasteners used in machinery & equipment. In the future, the demand from emerging robotics and intelligent machinery industries can be also considered the 2nd most important application sector that those involved should pay more attention to (in addition to the automotive industry). ■