

	Brand	2016	2015	Change	2015 Rank
1	Volkswagen	3,006,215	2,666,360	12,7%	1
2	Buick	1,229,804	1,035,372	18,8%	3
3	Honda	1,196,664	980,662	22,0%	5
4	Changan	1,149,820	937,980	22,6%	6
5	Hyundai	1,142,016	1,062,925	7,4%	2
6	Toyota	1,064,704	1,010,178	5,4%	4
7	Nissan	1,015,605	891,361	13,9%	7
8	Ford	951,396	870,652	9,3%	8
9	Haval	938,019	662,475	41,6%	10
10	Geely	778,896	532,384	46,3%	14

Volkswagen is the best-selling brand in China, even though it lost market share as it grew slower than the overall market. Still, for the first time ever VW tops 3 million sales from its two Joint Ventures with FAW and SAIC, and China remains its biggest market by far. Buick holds on to the #2 spot thanks to an 18.8% increase. The brand sold just over 1 million more cars with its partner SAIC than it did in the US in 2016, but Honda and Changan are closing in quickly, both with sales up 22% or more. Hyundai (+7.4%) is kicked off from the Chinese podium by these two fast-growing brands, which also pass Toyota (+5.4%), as both brands lose a significant chunk of market share. Nissan is closing in on its Japanese rival as well with sales up 13.9%. These 7 brands all sell over a million units in China. Ford misses that mark by 50,000 units and adds just 9.3% to its volume. The biggest gainers in the top-10 are Haval(+41.6%) and Geely, which make an entrance among the 10 best-selling brands in China with sales up 46.3%.

Future

China's path to motorization differs completely from those experienced in the 20th century by developed countries beginning with the US. Accordingly, many phenomena are occurring which cannot be explained based on precedence and common belief of markets in developed countries. Just like trying to predict accurately an unsettled weather pattern, so too is the extreme difficulty in precisely judging the short-term direction of China's car market⁴. China industry ministry said China is targeting 35 million vehicle sales by 2025 and wants new energy vehicles (NEVs) to make up at least one-fifth of that total.

However China's auto industry is likely to grow by six to seven percent annually, bringing the total production and sales of vehicles to well over 30 million new vehicles and 300 million second hand vehicles annually by 2020⁵. ■

1. <http://carsalesbase.com/china-car-sales-analysis-2016/>

2. <https://www.forbes.com/sites/jackperkowski/2016/03/04/chinas-auto-industry-alive-and-well/#662747365389>

3. <http://carsalesbase.com/china-car-sales-analysis-2016/>

4. <https://www.fourin.com/english/report/ChinaCarMarketForecast2020.html>

5. <https://www.forbes.com/sites/jackperkowski/2016/03/04/chinas-auto-industry-alive-and-well/#662747365389>

U.S. Fastener Trade with China in the 1st Half of 2017

by Sabrina Rodriguez



This is an analysis on the first six months of US fastener trade with China considering the newest presidential administration and controversial topics related to Chinese steel manufacturing.

Data note: The data for this article is derived from the US Census trade statistics. US Census trade statistics analyze import and export on all modes of transportation. That value is calculated in USD by general CIF for imports and FOB for exports. Fasteners in this article are defined as any product under HS Code 7318 (Screws, bolts, nuts, coach screws, rivets, cotters, cotter pins, washers and similar articles of iron or steel).

China was reported to produce the highest volume of manufactured steel in 2015 and 2016. US imports of industrial fasteners from China have increased during these two consecutive years. The increase of fastener imports could partially be fueled by the recent increase in automobile manufacturing in the US and overall increase of US manufacturing. The current US administration has introduced several controversial ideologies regarding the current trade agreements which could potentially disrupt the current level of fastener imports from around the world, particularly those imports from China.

The most obvious consumption of fasteners in the US are led by automobile manufacturers, manufacturing for the department of defense, and distributors of fasteners. The raw material associated to industrial fasteners is related to steel, which seems to be by and large manufactured in China. Controversial arguments have arisen during the current US administration related to the sourcing of steel. One of the controversial topics relates to producing steel in the US rather than importing steel from China at the risk of US buyers receiving unfair prices. US imports of fasteners could have possibly decreased due to the US's anti-dumping regulations on Chinese imports of steel products.

US Imports of Fasteners from China

The first half of 2017 has shown a steady climb in the number of fastener imports from China. A slight decrease from 98,308,096 to nearly 80,000,000 USD is seen in the month of March, but then we see a quick increase throughout April and May. Imports peaked within the month of May, illustrating an import value of over 115,000,000. The month of June ended the time frame with a slight decrease to nearly 111,000,000 USD. Overall the first 6 months of the year amounted to an import value of nearly 600,000,000 USD, which is nearly 70,000 USD higher than the first half of 2016. Historically speaking, the month of May in both 2015 and 2016 has shown to be the month with the highest volume of imports.

China appears to be the second largest exporter of fasteners to the US, supplying the country with 23.6% of the overall volume. Leading with the highest number of exports to the US is Taiwan with 32.5% of the overall volume. Other countries supplying the US with fasteners are Japan, Germany and Canada. The remaining percentage of countries exporting to the US make up about 20% of the overall volume of imports. Japan and Germany are two of the country's leading the overall market of automobile manufacturing which could possibly explain the high volume of fastener imports to the US.

US Imports of Fastener Products from China (HS Code 7318) in 2017

Country of Origin	2017					
	JAN	FEB	MAR	APR	MAY	JUN
	General CIF Value US\$	General CIF Value US\$	General CIF Value US\$	General CIF Value US\$	General CIF Value US\$	General CIF Value US\$
CHINA	97,388,376.00	98,308,096.00	79,878,542.00	97,925,950.00	115,030,422.00	110,816,563.00
General Total	97,388,376.00	98,308,096.00	79,878,542.00	97,925,950.00	115,030,422.00	110,816,563.00

US Imports of Fastener Products from China (HS Code 7318) in 2016

Country of Origin	2016					
	JAN	FEB	MAR	APR	MAY	JUN
	General CIF Value US\$	General CIF Value US\$	General CIF Value US\$	General CIF Value US\$	General CIF Value US\$	General CIF Value US\$
CHINA	90,109,527.00	84,123,057.00	72,109,823.00	89,500,214.00	99,778,332.00	93,921,242.00
General Total	90,109,527.00	84,123,057.00	72,109,823.00	89,500,214.00	99,778,332.00	93,921,242.00

US Exports of Fasteners to China

The first six months of 2017 have shown a consistent flow of fastener exports to China. It is not a surprise to see dramatically low numbers of fastener exports in comparison to the fastener imports. After all, the US is predominantly recording a high volume of import across an array of markets, but not as a major exporter. US exports of fasteners to China spiked between the months of March and April, reaching a high of 19,783,950 USD during the month of March. Exports fell slightly during the months of May and June. Overall, the export value of fasteners in the first half of the year was reported to be 112,802,403 USD. By comparison to 2016, US exports increased from 95,011,942 in H1 of 2016 to 112,802,403 in H1 2017 which is an increase of 17,790,461 USD.

China appears to be the third largest export trading partner, responsible for receiving 7.8% of the overall exports of fasteners. Ahead of China are nearby neighbors Canada and Mexico. The US exported 18.4% of their overall total of fasteners to Canada, and 15.7% to Mexico. Japan and the United Kingdom follow China as the fourth and fifth largest export trading partners, receiving nearly 10% of the overall US exports of fasteners.

US Exports of Fastener Products to China (HS Code 7318) in 2017

Country of Destination	2017					
	JAN	FEB	MAR	APR	MAY	JUN
	FOB Value US\$	FOB Value US\$	FOB Value US\$	FOB Value US\$	FOB Value US\$	FOB Value US\$
CHINA	18,564,011.00	17,174,013.00	19,783,950.00	19,746,500.00	18,747,701.00	18,786,228.00
General Total	18,564,011.00	17,174,013.00	19,783,950.00	19,746,500.00	18,747,701.00	18,786,228.00

US Exports of Fastener Products to China (HS Code 7318) in 2016

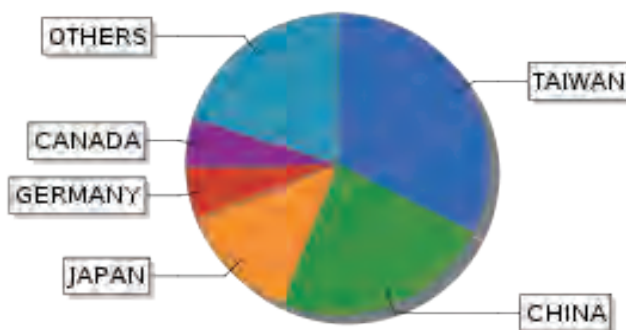
Country of Destination	2016					
	JAN	FEB	MAR	APR	MAY	JUN
	FOB Value US\$	FOB Value US\$	FOB Value US\$	FOB Value US\$	FOB Value US\$	FOB Value US\$
CHINA	14,977,075.00	14,481,728.00	19,084,826.00	15,097,606.00	15,776,691.00	15,594,016.00
General Total	14,977,075.00	14,481,728.00	19,084,826.00	15,097,606.00	15,776,691.00	15,594,016.00

The Future of US Fastener Trade with China

The US is currently experiencing a very unpredictable time due to the current negotiations with foreign trade agreements. While China may remain as one of the top exporters of fasteners to the US, the smallest set back in product sourcing from a foreign country could be detrimental for overall production. In such events, US manufacturers sourcing industrial fasteners will need to contemplate future sourcing to continue growth of their business and overall production. The unexpected natural disaster of hurricane Harvey could potentially halt the imports of fasteners into the ports of southwest Texas being that Houston is one of the larger ports in the US. Infrastructure efforts will have a great demand for industrial fasteners which will ultimately need overseas supply of products. The US has not increased steel manufacturing, which leads to believe the level of raw materials will continue to be imported from foreign countries. The second half of 2017 will truly determine changes in trade between the US and China.

H1 2017 US Imports of Fastener Products (HS Code 7318) Top 5 Countries of Origin

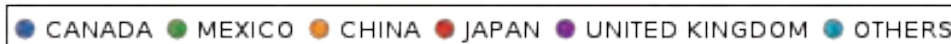
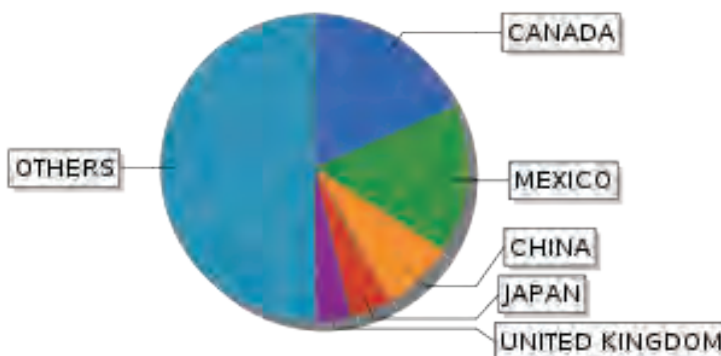
Country of Origin vs General Total Value CIF US\$



Country of Origin	General Total Value CIF US\$	%
TAIWAN	825,022,666.	32.5
CHINA	599,347,949.	23.6
JAPAN	328,812,405.	12.9
GERMANY	144,233,107.	5.7
CANADA	135,806,172.	5.3
OTHERS	508,285,768.	20.
TOTAL	2,541,508,067.	100.

H1 2017 US Exports of Fastener Products (HS Code 7318) Top 5 Countries of Destination

Country of Destination vs Total Value FOB US\$



Country of Destination	Total Value FOB US\$	%
CANADA	139,558,671,767.	18.4
MEXICO	118,793,440,762.	15.7
CHINA	59,238,860,801.	7.8
JAPAN	32,768,185,928.	4.3
UNITED KINGDOM	27,502,393,223.	3.6
OTHERS	379,656,827,059.	50.1
TOTAL	757,518,379,540.	100