



# American News

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## Industrial Fastener Stocks Show Strength in 2018

After two consecutive years of double-digit growth, the FIN Fastener Stock Index contracted in 2018, hampered by volatility that dominated the markets, making 2018 the worst year for stocks in a decade.

The FINdex declined 7.1% during the year, compared to a 7% drop by an index of related industrial stocks.

U.S. stocks had their worst December since the Great Depression, according to Yahoo Finance. The Dow Jones Industrial Average fell 9.7%, the Nasdaq Composite dropped 10.4%, and the S&P 500 declined 10%.

During 2018, industrial fastener stocks replaced aerospace stocks as the dominant performer.

FINdex stocks achieving growth during the year included Dorman Products (up 47.2%); Bisco Industries (up 87.2%); Grainger (up 19.5%); Lawson Products (up 27.7%); TriMas (up 2%); and Wesco Aircraft (up 6.8%).

During 2018, multiple FINdex stocks saw declines of 20% or more, including Arconic (down 38.1%); Carpenter Technology (down 30%); ITW (down 24%); MSC Industrial (down 20.4%); Park Ohio (down 33.2%); Stanley Black & Decker (down 29.4%); and Tree Island Steel (down 20.5%).

During the final quarter of the year, the FINdex mirrored the markets, showing its biggest dive during the year. During Q4, the FINdex dropped 15.6%, compared to a 13.4% decline by an index of related industrial stocks.

FINdex stocks losing 20% or more in value during Q4 included Carpenter Technology (down 39.6%); Grainger (down 21%); Park Ohio (down 20%); Simpson Mfg. (down 25.3%); and Wesco Aircraft (down 29.5%).

The FINdex rose 9.2% in the third quarter after declining 0.4% in the previous quarter. An index of related industrial stocks increased 9.8% in Q3. Quarterly gains were achieved by a broad cross-section of fastener companies.

During the first six months of 2018, both the FINdex and an index of related industrial stocks were essentially unchanged. The FINdex achieved marginal growth of 0.3% in the opening quarter of 2018, compared to an 11.7% loss by an index of related industrial stocks.

During 2017, the FINdex rose 20.2%, boosted by aerospace fastener company gains. Aerospace fastener supplier KLX - the former B/E Aerospace fastener division - achieving a 51% increase in share price, driven by sales to commercial aerospace manufacturing customers.

Another FINdex winner during 2017 was Arconic - the former Alcoa Fastening Systems and Rings business, which achieved a 47% increase in its share value.

In 2016, the FINdex rose 20%, compared to an 11.1% increase by an index of related industrial stocks.



**FONTANA GRUPPO**  
SPECIAL FASTENERS

## Receives Indiana Delegation

On September 19, 2018, during a program of meetings with leading Italian companies present in Indiana, USA, the Honorable Governor Eric Holcomb and his delegation visited Fontana Gruppo headquarters in Veduggio, Italy. After a company presentation focusing in particular on the two Indiana plants, the two delegations had a productive discussion on medium-term, macro-economic scenarios. Fontana has been present in the state of Indiana since 2007, the year of acquisition of its first plant in Frankfurt and its Logistics Center consolidating its position in 2014 with a further acquisition of Acument Global Technologies' nine plants including one in Rochester, IN, USA.

## Canada Launches Re-investigation on Fasteners from China and Taiwan

The Canada Border Services Agency (CBSA) initiated a re-investigation to update the normal values and export prices, in accordance with the Special Import Measures Act (SIMA), respecting certain carbon steel fasteners originating in or exported from China and Taiwan, and the amounts of subsidy respecting certain carbon steel fasteners originating in or exported from China.

This re-investigation will be concluded by November 14, 2019.

The re-investigation is part of the enforcement of the CITT's order made on January 5, 2015, in Expiry Review No. RR-2014-001, continuing its order made on January 6, 2010 in Expiry Review No. RR-2009-001, continuing its findings made on January 7, 2005 in Inquiry No. NQ-2004-005.

Exporters that wish to participate in this re-investigation are required to provide a complete and accurate response to the CBSA's Request for Information (RFI) by May 13, 2019.

Where an exporter of subject goods does not provide sufficient information to determine specific normal values or does not permit verification of information submitted, anti-dumping duties will be assessed at the rate of 170% of the export price of the subject goods imported into Canada.

Similarly, in cases where the Chinese government or exporters in China fail to provide complete and accurate submissions enabling the determination of specific amounts of subsidy, countervailing duties will be assessed at the rate of 1.25 Chinese Renminbi per kilogram.

For the current re-investigation, the CBSA is contacting known and potential importers and exporters. However, any importers or exporters who have not received a letter from the CBSA with the accompanying RFI, and who wish to provide a response to the RFI are advised to contact one of the officers identified below. Similarly, it is suggested that importers contact their exporter(s) to determine if the exporter(s) has received the Dumping RFI and whether they intend to cooperate with the CBSA in this re-investigation.



Any questions concerning the above should be directed to:

SIMA Registry and Disclosure Unit  
 Trade and Anti-dumping Programs Directorate  
 Canada Border Services Agency  
 100 Metcalfe Street, 11th floor  
 Ottawa, ON K1A 0L8  
 Officers' names and contact information:  
 Robert Wright: 613-954-1643  
 Jin Hyuck Lee: 613-954-7180  
[simaregistry-depotlmsi@cbsa-asfc.gc.ca](mailto:simaregistry-depotlmsi@cbsa-asfc.gc.ca)



## Vulcan Steel Seeks Duties on Asian Threaded Rod

Vulcan Steel Products Inc. filed a petition on February 21 with the U.S. Department of Commerce and the U.S. International Trade Commission seeking antidumping duties (ADD) and countervailing duties (CVD) on imports of carbon and alloy steel threaded rod from China, India, Taiwan and Thailand, TH International Trade reports. Threaded rod imports from these countries are being sold at less than fair value in the U.S. and causing material injury, according to Vulcan.

From December 2017 to November 2018, U.S. threaded rod imports totaled 42.5% from China, 25.2% from India, 15.1% from Taiwan and 4.1% from Thailand, according to Vulcan. The company claims that imports of threaded rod from these countries increased 18.6% from 2016 to 2017 and that imports for 2018 represented a 18.8% increase over 2017, according to TH International Trade. As a result, Vulcan claims that dumped and subsidized threaded rod imports are having significant, negative price effects that are causing lost sales and revenue to the domestic industry.

The petition lists foreign producers and exporters that shipped threaded rod products to the U.S. at allegedly dumped and/or subsidized prices from these countries as well as the U.S. importers of those products.

The steel threaded rod, bar, or studs subject to these investigations are non-headed and threaded along greater than 25% of their total actual length. Steel threaded rod is normally produced to American Society for Testing and Materials ("ASTM") specifications ASTM A36, ASTM A193 B7/B7m, ASTM A193 B16, ASTM A307, ASTM A320 L7/L7M, ASTM A320 L43, ASTM A354 BC and BD, ASTM A449, ASTM F1554-36, ASTM F1554-55, ASTM F1554 Grade 105, American Society of Mechanical Engineers ("ASME") specification ASME B18.31.3, and American Petroleum Institute ("API") specification API 20E.

Subject merchandise includes material matching the above description that has been finished, assembled, or packaged in a third country, including by cutting, chamfering, coating, or painting the threaded rod, by attaching the threaded rod to, or packaging it with, another product, or any other finishing, assembly, or packaging operation that would not otherwise remove the merchandise from the scope of the investigation if performed in the country of manufacture of the threaded rod.

Carbon and alloy steel threaded rod are also included in the scope of this investigation

whether or not imported attached to, or in conjunction with, other parts and accessories such as nuts and washers. If carbon and alloy steel threaded rods are imported attached to, or in conjunction with, such non-subject merchandise, only the threaded rod is included in the scope.

Excluded from the scope of these investigations are: (1) threaded rod, bar, or studs which are threaded only on one or both ends and the threading covers 25% or less of the total actual length; and (2) stainless steel threaded rod, defined as steel threaded rod containing, by weight, 1.2% or less of carbon and 10.5% or more of chromium, with or without other elements.

Steel threaded rod is classifiable under subheadings 7318.15.5051, 7318.15.5056, and 7318.15.5090 of the Harmonized Tariff Schedule of the United States ("HTSUS"). Subject merchandise may also enter under subheading 7318.15.2095 and 7318.19.0000 of the HTSUS.



### SOUTH AFRICAN IRON AND STEEL INSTITUTE

## South Africa Investigating Surge in Fastener Imports

South Africa is investigating a surge in imports of threaded fasteners, which manufacturers complain is injuring the country's fastener industry.

The South African Iron & Steel Institute filed a complaint for the South African Fasteners Manufacturers Association, according to a March 4 announcement by the World Trade Organization.

T&I Chalmers Engineering (Pty) Ltd – which constitutes about 70% of production – submitted the original "injury analysis information" for bolt ends, screw studs and screw studding.

Injury analysis for other hexagon nuts was submitted by Transvaal Pressed Nuts, Bolts & Rivets (Pty) Ltd., CBC Fasteners (Pty) Ltd and SA Bolt Manufacturers (Pty) Ltd., which together manufacture 90% of South African production.

"The applicant alleged and submitted prima facie information to indicate that it is experiencing serious injury in the form of a decline in sales volumes, market share, gross profits, net profit and low capacity utilization" for the period from July 1, 2014, to June 30, 2019.

The information filed by South Africa fastener manufacturers shows the "industry was suffering serious injury, which could be causally linked to the surge in the values of imports of the subject products."

The announcement stated that the "applicant indicated China is the world major producer of fasteners. Therefore information on unforeseen developments focuses on the developments in China.

According to the applicant, "the Chinese significant influence and developments with regard to fasteners will have an impact on the world developments."

During the Uruguay Round of negotiations, "South Africa did not foresee an "unprecedented steep rate of increase in the global fastener production capacity, which was mainly fueled by the growth of the Chinese and Asian fastener market" and steep increases in fastener production and exporting.

The information also pointed to the "economic slowdown of the Chinese economy and the global contraction in demand." Combined with the "financial crisis of 2008 to 2010 had an impact on the demand for fasteners and with increased production created an imbalance between supply and demand, which added to increased export volumes."

The information noted a "significant unused production capacity of carbon steel fasteners in China," which "led to an increase in trade remedy actions against fastener products (including the subject product) by countries such as Canada and the United States."



Fasteners include iron and steel threaded fasteners, bolt ends and screw studs, screw studding and other hexagon nuts of iron or steel (thus excluding stainless steel and those identifiable for aircraft).

Importing “increased sharply both in absolute terms and relative to domestic production” for four years beginning July 2014.

Interested parties may submit information or request a hearing before the commission in writing within 20 days to: Trade Remedies II, DTI Campus, 77 Meintjies St., Sunnyside, Pretoria, Block Uuzaji, Ground Floor, South Africa. Tel: (27) 12 394 3600

If information submitted is confidential, the party should give grounds justifying confidentiality.

## First-Quarter FINdex Recoups Losses

In the opening quarter of 2019, the FIN Fastener Stock Index recouped the losses it suffered in 2018, gaining 7.2%, compared to an 8.6% increase by an index of related industrial stocks.

Most aerospace, automotive and industrial fastener companies tracked by the FINdex posted stock gains during Q1.

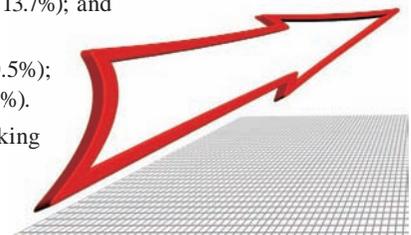
Carpenter Technology achieved the largest percentage gain of the period, rising 28.8% in the first three months of 2019.

Other fastener companies with gains of 10% or more during Q1 included Arconic (up 13.3%); Bisco Industries (up 23.8%); Fastenal (up 23%); ITW (up 14.6%); Nucor (up 12.6%); Stanley Black & Decker (up 13.7%); and TriMas (up 10.8%).

FINdex companies posting share losses during Q1 included Chicago Rivet (down 10.5%); Dorman Products (down 2.1%); Lawson Products (down 0.6%); and Tree Island Steel (down 4.5%).

The FINdex contracted in 2018, hampered by volatility that dominated the markets, making 2018 the worst year for stocks in a decade.

The FINdex declined 7.1% during the year, compared to a 7% drop by an index of related industrial stocks. The loss followed two consecutive years of double-digit growth.



## Stanley® Engineered Fastening Opens Production Facility in Ohio

Stanley® Engineered Fastening has opened a new production facility in Elyria, OH, USA. Stanley executives and local government officials celebrated the opening with a March 20, 2019, ribbon-cutting ceremony. When the renovations are complete, the 101,000 ft<sup>2</sup> facility will be an Industry 4.0 site utilizing IIoT technology. The implementation of real-time machine connectivity and monitoring capabilities is scheduled to be completed by Q3 2019. This investment will allow Stanley Engineered Fastening to streamline manufacturing processes and increase its production efficiencies. Stanley Engineered Fastening anticipates about 70 employees will be based out of the new factory with ample space to accommodate future growth. Employees at the new production facility will manufacture Nelson branded stud welding equipment, weld studs and critical fasteners for application in the construction, infrastructure, industrial and defense markets.



## Chicago Rivet Inducted Into Business Hall of Fame

The Blair County (Pennsylvania) Chamber of Commerce has inducted Chicago Rivet & Machine Co.’s Tyrone, PA, USA, facility into its Business Hall of Fame’s Class of 2018. Criteria for consideration include successfully operating within the region for 25 continuous years, a business’ involvement within the community and a review of a company’s employment growth and expansion within that time frame. The induction ceremony was held on October 15, 2018 at the Blair County Convention Center in Altoona PA, USA. Chicago Rivet & Machine Co. issued the corporate statement: “We are honored that our Tyrone team members have been recognized by the Blair County business community for their many years of outstanding and dedicated efforts on behalf of our organization. Every Tyrone team member past and present is responsible for Chicago Rivet & Machine Co.’s receipt of this hall of fame honor, for without their many years of contributions, this recognition could not be possible.” Chicago Rivet & Machine Co., headquartered in Naperville, IL, USA, is an IATF 16949-certified company.



## Hillman Group Invests in New Facility

The Hillman Group, Inc., headquartered in Cincinnati, OH, USA, is a leading solutions provider to the retail hardware market. The company has announced that it will relocate its Canadian National Distribution Centre and Head Office to a newly designed, modern 400,000 ft<sup>2</sup> facility located in the Metro East Business Park in Toronto, Ontario, Canada. With the construction of the 350-employee, new facility approaching its completion, Hillman is entering the last phase of its Canadian facility modernization plan, consolidating seven operations around the greater Toronto area. Starting in early 2019, a phased move of the firm's US\$200+ million Canadian business will begin in the new location. "This facility will be efficient, advanced, and most important, will provide improved benefits for our customers, suppliers and staff," commented Scott Ride, President of Hillman Canada. Hillman Group, Inc. is a leading North American provider of complete hardware solutions, delivered with industry-best customer service to more than some 26,000 customers.

## Lawson Products Opens New Branch in Canada



LAWSON Products

Lawson Products, Inc.,

Chicago, IL, USA, a distributor of products and services to the MRO marketplace, has opened a new The Bolt Supply House branch in Vancouver, British Columbia, Canada, resulting in presence in all four western Canada provinces. The 12,000 ft<sup>2</sup> facility, in the Port Kells industrial area of Surrey, British Columbia, is stocked with key industrial fastener products.



## Solon Manufacturing Celebrates 70 Years

Founded in 1949, Solon Manufacturing Company is a global leader in the design and manufacture of Belleville springs, washers, industrial pressure switch products and SF6 gas density monitoring equipment to industries in over 40 countries. Today, Solon Manufacturing continues to thrive on the ideals of its founders—innovation and passion for the company and its stakeholders, which has led to 70 years of successful business, with 55 employees and three product lines.



**JW WINCO**  
A Ganter Company

## JW Winco, Inc. Opens a New Branch in Mexico

JW Winco, Inc., New Berlin, WI, USA, A Ganter Company, has recently opened a new branch in Mexico located at Parque industrial Makro, Bodega 10, Santa Catarina, N.L. 66359. The new Mexico office telephone number is +52 (81) 2721-4021. The new branch has over 1200 ft<sup>2</sup> of office space as well as more than 10,000 ft<sup>2</sup> of warehouse space, and features a modern design. "We will be stocking more than 4000 parts initially to improve our service to our customers in Mexico," commented Carlos Cantu, Mexico branch General Manager. "The building features great logistics that will enable us to provide quick delivery to our customers throughout Mexico. The branch will provide our clients with local support and technical training, and of course we will continuously add new products to fulfill our clients' needs when it comes to a wide selection of metal and plastic standard machine components." JW Winco has also made various improvements to its Spanish website (listed below). Improvements include updating the navigation to show subgroups. The Spanish website also provides 3D CAD and on-line buying.



## Boker's Celebrates 100 Years & Expansion

Boker's, Inc., Minneapolis, MN, USA, a metal stamping manufacturer of precision metal stampings, washers, spacers and shims, is 100 years old in 2019. Boker's will celebrate and honor its valued customers and employees throughout the year and also the opening of its new manufacturing facility.

Boker's is thankful and honored that it has been able to serve its customers and help them be successful over the past 100 years. The company is also grateful to be able to provide good quality jobs to its dedicated employees. Boker's, founded in 1919 by Vitus Boker and his son, John, started their family business around their first products, an envelope folding machine and a small hand check protector. However, with his tooling knowledge, the enterprise began generating more revenue from manufacturing prototypes and custom parts for automated machinery. As word spread of Boker's unique process for producing high-quality, short-run, stamped metal parts, the demand grew. Vitus found himself entrenched within the stamping industry as one of the pioneers of short-run stampings. The business boomed and has continued to flourish throughout the years, growing in space and customer base. Today, Boker's is still a privately held family-owned business, guided by Vitus Boker's principals of hard work and attention to detail, with Bill Tedlund as Chairman. From starting to help out the family business as children, the legacy continues with Bill's children Wendy, Amy and Barry as shareholders. Chuck and Tony Kersey are the fifth generation in Sales and Marketing. Boker's offers parts for almost every industry and product—from pay phones, coffee makers, medical devices, missiles and mail sorting machines to dental instruments, snowshoes and aircrafts. Boker's is currently expanding its manufacturing facility to streamline processes and add capacity as product diversification continues to grow. New space adds 66,500 ft<sup>2</sup>, almost doubling the current manufacturing space.



## ASG of Jergens Opens Warehouse in Ireland

Products and Solutions for Assembly

In order to better service its international customers, ASG, Division of Jergens, Inc., has opened a warehouse in Limerick, Ireland. ASG will now ship directly from this location to the surrounding European countries. With inventory housed locally, customers will see many benefits including reduced freight costs, duty-free shipments and improved lead time. ASG continues its mission to deliver products, services and solutions on time and at a competitive value.



## Arconic Cancels \$10b Acquisition Deal

A week after the Wall Street Journal reported that Arconic was nearing a US\$10 billion deal to be acquired by Apollo Global Management for more than US\$10 billion, the aerospace fastener and components manufacturer announced it had broken off talks with the buyer.

"We did not receive a proposal for a full-company transaction that we believe would be in the best interests of Arconic's shareholders and other stakeholders," stated company chairman John C. Plant.

Arconic, which includes Alcoa's former US\$1.8 billion Fastening Systems and Rings business, has been mulling possible takeovers since last summer when Apollo and two other companies expressed interest in the company.

Arconic will continue with the previously announced sale process for its building and construction systems business, Plant said.

For the third quarter of 2018, Arconic reported Engineered Products and Solutions (EP&S) revenue, primarily aerospace fasteners, increased 6% to \$1.6 billion. Organic revenue was up 6%, driven by volume growth in aerospace engines and defense.

Segment operating profit was US\$238 million, down \$1 million year over year, as volume growth across all business units was offset by unfavorable aerospace product price/mix and manufacturing inefficiencies in the Engineered Structures business. Segment operating margin was 15.2%, down 100 basis points year over year.

Arconic was formed in 2016 after Alcoa's board unanimously approved a plan to separate Alcoa into two independent, publicly-traded companies. Torrance, CA-based Arconic Fastening Systems & Rings designs and manufactures fastening systems and rings, including specialty fasteners, fluid fittings, assembly components, installation systems, and seamless rings, for aerospace and industrial applications. Arconic employs about 1,550 people at five facilities in Texas, and more than 7,000 worldwide.



## Endries Acquires Industrial Products Company

Endries International, Brillion, WI, USA, has announced that the company has acquired Industrial Products Company (IPC), Lynchburg, VA, USA. Industrial Products Company is a provider of fasteners and related production components to the original equipment manufacturing (OEM) market. In addition to the headquarters in Virginia, IPC has warehouse locations in Mississippi, Nebraska and mainland China. IPC customers are served via a variety of service offerings including on-premises vendor managed inventory systems. Operating under ISO9001 and A2LA accreditation, IPC provides quality products and services to its OEM customers. Scott Wolf, the owner of IPC will remain with the company in a leadership position. Endries is a leading distributor of fasteners and Class-C parts serving industrial OEMs worldwide. From its headquarters in Brillion, and eight USA and international distribution centers, Endries provides over 500,000 SKUs to its customer base. □



SCREWS  
ANCHORS



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