

The United States' fastener industry is a multi-billion dollar a year industry that has a big effect on not only the construction and manufacturing sectors, but the economy as a whole. In 2012, the U.S. imported \$4.6 billion worth of screws, bolts, nuts, and any other fasteners you can name. That amount, \$4.6 billion, is 0.2% of all imports that enter the United States. On the flipside, the U.S. exported \$3.3 billion worth of fasteners last year, which amounts to 0.22% of all exports. The majority of the U.S. fastener trade is with Asia; Taiwan and China in particular.

FASTENER TRADE OVERVIEW

UNITED STATES AND THE PHILIPPINES

by Chelsea Craven

One of the latest topics in the international trade world surrounds the up-and-coming region of Southeast Asia. Experts predict more U.S. imports will be sourced from the Southeast Asia region, such as Vietnam and Thailand, moving some market share from China. The Philippines is also one of the countries in the region that has seen an increase in the amount of products being shipped to the United States. In the last year, U.S. imports from the Philippines increased by nearly 5% compared to the previous year. **Figure 1** illustrates the breakdown of imports from countries in Asia.

In terms of fastener trade, the Philippines ships about \$10 million worth of fasteners to the United States each year. This article will analyze details of the fastener trade between the United States and the Philippines. What products have increased and decreased lately? How have the prices been trending? We'll answer these questions that will shed light upon future trends between the two countries.

The Products

The most popular fastener import to the United States from the Philippines is threaded screws and bolts, followed by non-threaded fasteners and threaded nuts. A spike can be seen in **Figure 2** for threaded screws and bolts, while threaded nuts have seen a slow decline in recent months. Roughly 50% of the fasteners imported to the U.S. from the Philippines are threaded screws and bolts. Very low amounts of washers and cotters are imported from the Philippines. So far for 2013, the U.S. has increased fastener imports from the Philippines by 15% compared to the previous year.

On the export side, the most common fasteners being shipped from the United States to the Philippines are threaded screws and bolts, followed by threaded nuts and cotters. **Figure 3** illustrates a recent spike in exports of threaded screws, bolts, and cotters. The jump in exports amounts to a 150% increase so far this year compared to last year. Very few exports of fasteners to the Philippines include rivets, screw hooks, and coach screws.

Figure 1. U.S. Imports of Fasteners from Countries in Asia (Jan-Feb 2013)

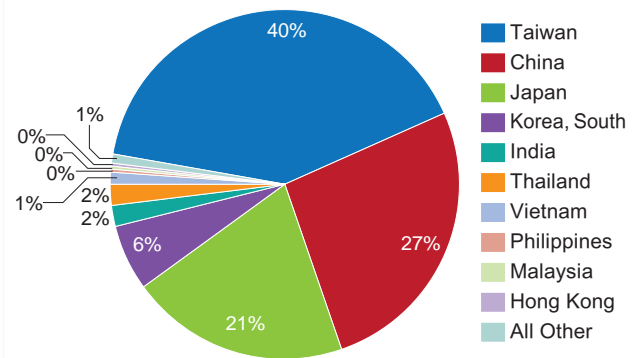


Figure 2. U.S. Imports of Fasteners from the Philippines

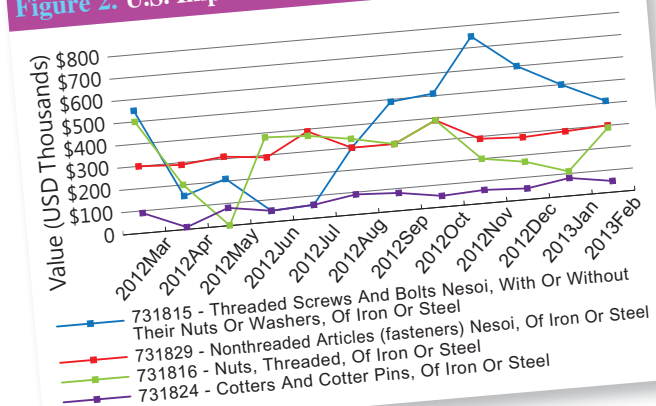


Figure 3. U.S. Exports of Fasteners to the Philippines

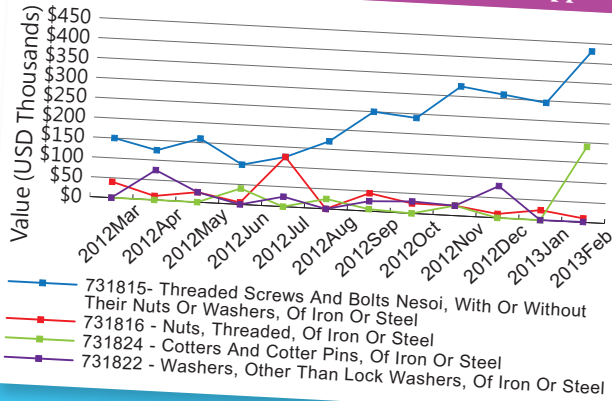


Figure 4. \$/Kg for U.S. Imports of Fasteners

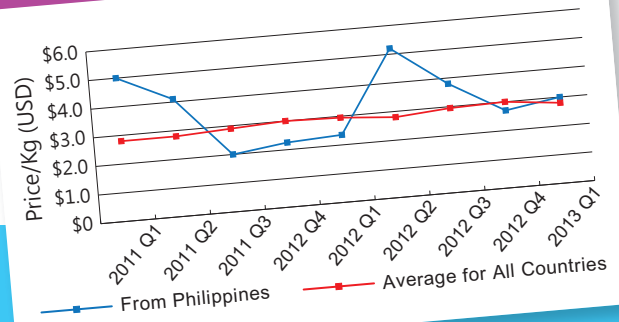
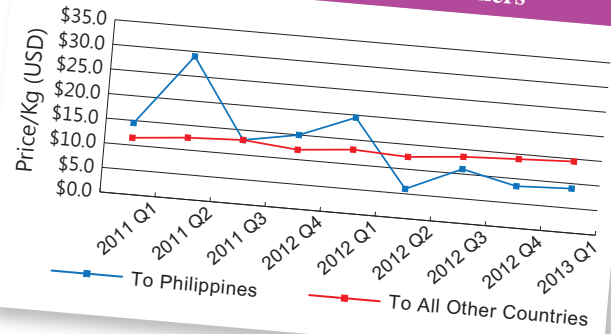


Figure 5. \$/Kg for U.S. Exports of Fasteners



The Prices

Fasteners from the Philippines destined for the United States cost an average of \$3 per kilogram. The price of these imports spiked up to \$5 in quarter two of last year, but have since declined to \$3 for the first quarter of this year. The price of the imports is in line with the average for all countries, which remains around the \$3 point. **Figure 4** illustrates this comparison.

The price of fastener exports from the United States to the Philippines has declined significantly in recent quarters and has been below the average for all other countries for the last four consecutive quarters. This trend coincides with the increase of exports of threaded screws and bolts, which have a lower cost compared to other fasteners. The average price of fastener exports to the Philippines is about \$14, but the first quarter of this year prices were about \$10 per kilogram. **Figure 5** illustrates the export price comparison.

The Future

As mentioned above, both imports and exports of fasteners between the United States and the Philippines are off to a positive start in 2013. The prices have stabilized and are in line with prices compared to other countries, which will make the Philippines a competitive match with neighboring countries. As U.S. importers look for more countries in the Southeast Asia region to import fasteners from, the Philippines is in a good position to gain more business from U.S. companies. On the flipside, the recent drop in fastener exports to the Philippines will make the U.S. an attractive source of fasteners. Expect more shifts this year in the fastener trade as the Philippines adjusts to the newly imposed anti-dumping duties on stainless steel fasteners destined for Europe. ■