



# Fastener Trade Between the United States and Mexico

by Chelsea Craven

**W**hen it comes to fasteners flowing between the United States and Mexico, the stream is getting faster. It may come as a surprise to some that the current top destination for fasteners exported from the United States is Mexico. Canada has taken that title for more than five years running and only recently has Mexico slide past Canada. Similarly, U.S. imports of fasteners from Mexico are also seeing an increase in recent years. Just last year, Mexico was ranked ninth on Zepol's list of top sources of fasteners, this year they are ranked eighth. **Figures A and B** below illustrate Mexico's dominance in the Latin America region. This article will focus on imports and exports of fasteners between the United States and Mexico. We will look at the top products moving between the two countries, some reasons for the growth in fastener trade, and expound upon what we can expect for the rest of this year.

Many factors contribute to the increase in both imports and exports of fasteners between the United States and Mexico. First off, the proximity of the two countries makes trading timelier and less costly, which is attractive mainly to U.S. importers. Instead of placing orders months in advance for fasteners from Taiwan, for example, orders can be placed weeks in advance from Mexico. Secondly, the recent boom in automotive manufacturing in Mexico has sparked more demand for the necessary parts to produce vehicles, a major component being fasteners.



## U.S. Exports to Mexico

For the first half of this year, Mexico has imported over US\$540 million worth of fasteners from the United States, that's a 10% increase compared to just one year ago. Threaded screws and bolts, along with non-threaded articles, are some of the highest-growing fasteners from the U.S. to Mexico. Cotters and cotter pins are the only fasteners that saw a decrease in exports to Mexico for the first half of the year. **Figure C** shows a trend of the top four fasteners flowing from the United States to Mexico. The least-imported fasteners to Mexico include screw hooks, coach screws, and wood screws. Nearly all of the exports departing the United States pass through the Port of Laredo, Texas, and enter Mexico by truck or rail.



## U.S. Imports from Mexico

Fastener imports to the United States from Mexico have amounted to over US\$40 million for the first half of this year, a 20% increase from 2012. Seeing the highest increases are threaded screws and bolts, threaded nuts, and

Figure A

U.S. Imports of Fasteners from Countries in Latin America (Jan-Jun 2013)

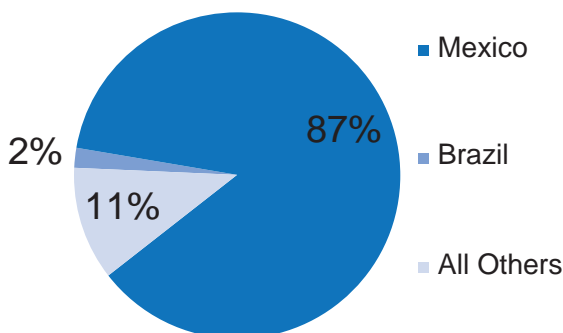
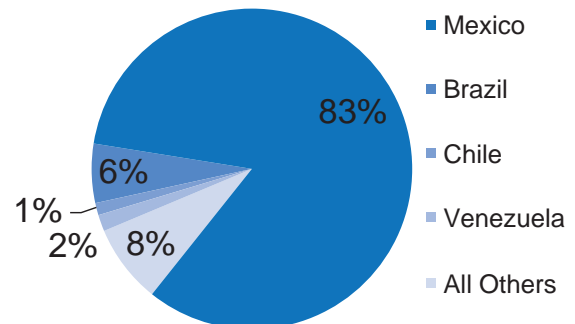


Figure B

U.S. Exports of Fasteners to Countries in Latin America (Jan-Jun 2013)



non-threaded articles. Washers and cotters, on the other hand, have seen decreases in imports of over 10% so far this year. **Figure D** illustrates recent import trends for the top four fastener imports from Mexico. The least-imported fasteners from Mexico include rivets, wood screws, and screw hooks. The Ports of Brownsville and Laredo, Texas, are the top ports of arrival for fastener imports from Mexico; nearly all imports arrive by truck or rail.



### Trade Balance

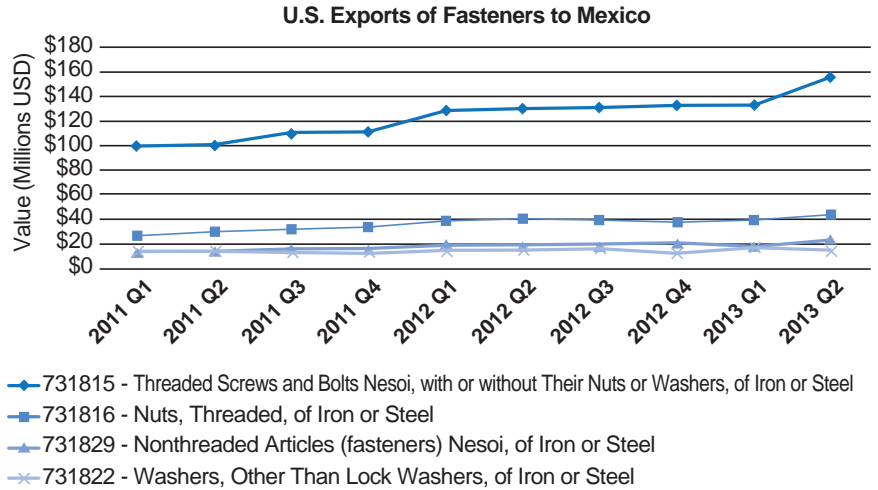
While the United States' fastener trade industry as a whole has a negative trade balance, the fastener trade with Mexico has a positive balance, and it's growing. The fastener trade balance for the United States is currently at -US\$450 million for the year, mostly because of negative balances with Taiwan and China. With Mexico, on the other hand, the U.S. trade balance is over US\$500 million so far this year, compared to US\$459 million year-over-year. **Figure E** illustrates the trend of imports and exports in recent years.



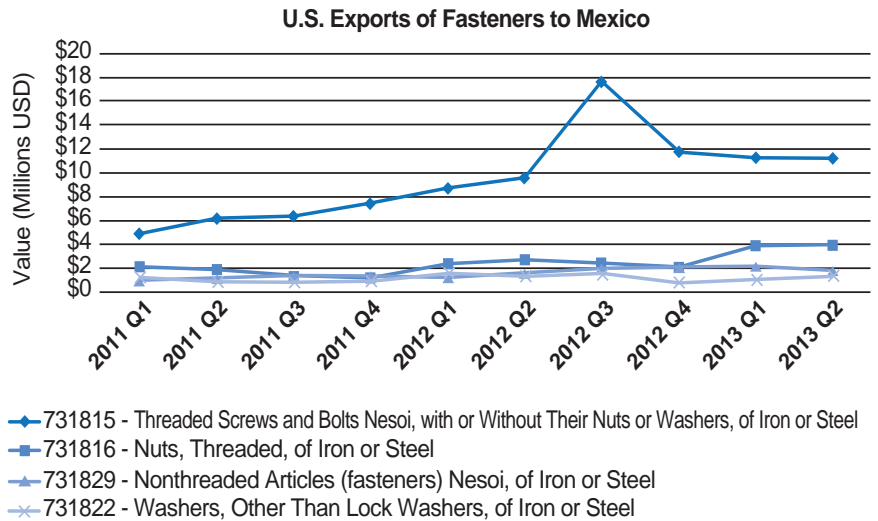
### The Future

The fastener trade between the United States and Mexico has shown strong signs in the first half of this year. Both imports and exports crossing the border have increased significantly compared to just one year ago. As stated above, there are mutual benefits for both sides of the border. Looking forward to the rest of this year, it is likely that the fastener trade will increase even further. Mexico's strong and developing automotive sector will only demand more fasteners, and they will likely source more from their close neighbor to the north. Similarly, a steady trend has been seen with U.S. importers moving factories and plants to southern neighbors, like Mexico, thus increasing the amount of fasteners imported to the United States. Overall, a strong finish to the year is expected for the fastener trade between the United States and Mexico.

**Figure C**



**Figure D**



**Figure E**

