

# Eastern Europe's Growth in Infrastructure Sparks Growth in U.S. Fastener Exports

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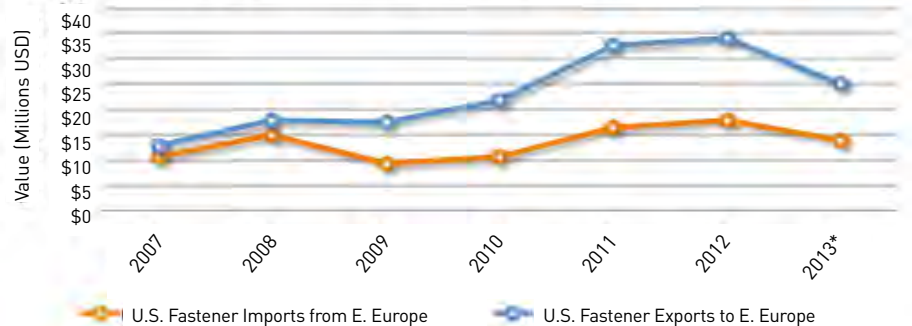


Eastern Europe was almost a nonexistent U.S. export market for fasteners just six years ago. From 2007 to 2013, exports of fasteners have increased in total value from \$12 million to \$34 million, nearly triple the amount, a 165% increase (See Figure A).

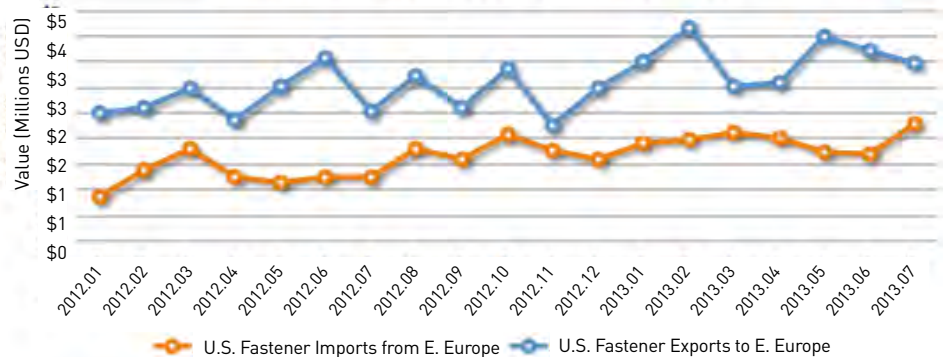
In the past few years Eastern Europe has had a push for domestic infrastructure projects to boost its local economies. Countries like Belarus, Czech Republic, Hungary, Poland, Romania, Slovakia, Ukraine, and the Baltic States, have shifted their focus of growth to sectors like transport, energy, and environmental and social infrastructure. This push has allowed Eastern Europe to gain a piece of the car production pie, build more public transport systems, and not to forget the fast construction on the new TAP (Trans Adriatic Pipeline) going through east and central Europe.

This article will discuss the increase in U.S. fastener exports to Eastern Europe, where the rise in infrastructure has resulted in a bigger market for the industry. U.S. import and export data provides the facts, directly from the U.S. Census Bureau, to better analyze price, regions of interest, and potential market growth for the fastener industry in the Eastern European region.

**Figure A U.S. Fastener Trade With Eastern Europe**



**Figure B U.S. Fastener Trade With Eastern Europe**



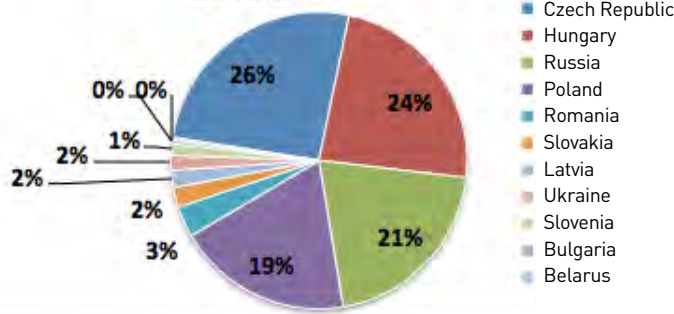
## The Increase in Exports of Fasteners to Eastern Europe

The boost in infrastructure in Eastern Europe is good news for fastener exporters. It's not often that the United States sends out more than it takes in with nations around the world. On average, the United States exports about double the fasteners that it imports from Eastern Europe. In the last two years especially, 2011 and 2012, exports of fasteners have been much higher. Total export values are in the US\$30+ millions compared to US\$17-US\$20 million in 2008 through 2010. This year, January through July, exports are up 27.5% compared to the same time in 2012 (See Figure B).

## Where are All These Fasteners Going?

Put together, the Czech Republic, Hungary, Russia and Poland receive about 90% of the U.S. exports of fasteners to Eastern Europe (See Figure C). The Czech Republic has risen 208%, compared to this time last year, and has

**Figure C U.S. Exports of Fasteners to Europe (Jan-July 2013)**



surpassed Hungary as the top importer of fasteners from the United States. This year, January through July, the Czech Republic has imported over US\$6.5 million worth of fasteners.

Russia is a similar story to the Czech Republic. It has increased fastener imports from the United States by 110%, double compared to the same time period in 2012.

Oddly enough, Hungary and Poland have decreased the amount of U.S. fasteners they have imported in 2013. Compared to January through July of 2012, U.S. fastener exports to both countries are down about 20%.

### Products and Prices of Exports to Eastern Europe

Non-threaded fasteners and bolts have been the top two fastener exports to Eastern Europe in the past 12 months. Non-threaded fastener exports had an average price per kilogram in 2012 of about US\$9.82. So far in 2013, the average price has been about US\$10.42 per kilogram (See Figure D). The rise in price may correlate to the increase in demand. Vessel exports of threaded screws have increased about 18.9%, compared to January through July of 2012.



Bolts may be the rising star for Eastern Europe fasteners. By vessel weight, U.S. exports of bolts have moved from 100,000 kilograms in January through July of 2012, to over 450,000 kilograms so far this year. The quarterly price of bolts per kilogram has gradually decreased since 2011 (see graph). In Q2 of 2011, bolts were exported for as much as US\$18.25 a kilogram. Currently, the export price is between US\$7.00 and US\$9.00 per kilogram.

U.S. trade with Eastern Europe, in general, hasn't shifted much since 2007, so it's interesting to see an industry begin to flourish with the region, especially during Europe's economic lull. If the emphasis on new infrastructure continues, it wouldn't be surprising to see an even larger increase in fasteners sent to Eastern Europe in 2014, since there have already been strides in exports this year.



\* Countries included in this data for Eastern Europe: Russia, Czech Republic, Poland, Hungary, Romania and Moldova, Croatia, Lithuania, Latvia, and Estonia, Slovenia, Slovakia, Bulgaria, Ukraine and Belarus, Serbia, Montenegro, Bosnia and Herzegovina, Albania, Kosovo, and Macedonia.