

Editorial

Trends of the Fastener Industry for 2014

by the editorial dept. of Fastener World Inc.



Taiwan Institute of Economic Research (TIER) analyzed the current global economic trends and concluded that Europe and the US remain strong while Asia is comparatively weak. People are still optimistic about the macro economy of the US. As for European economies under the leadership of certain countries, they will gradually recover to see growth again. In Asia, it is a critical time for structural transformation in Japan after the effects of its latest domestic currency and monetary policies start to fade away; Chinese economy continues to look for change at a steady pace; economies in Southeast Asia are also under control. All in all, the global economy follows the positive growth starting from the beginning of 2014, which is reflected on the performance of Taiwanese companies. In 2013, the total value of Taiwanese fastener export reached about USD3.68 billion, up 2.59% over the previous corresponding period.

Globally Watched AD Issue

As long as the global trade continues, the issues of antidumping will be discussed at all times. The emerging China with strong power, also dubbed "the Factory of the World," has faced at least 10 antidumping complaints directly/indirectly related to fasteners. What are worth mentioning may be 2 antidumping cases launched by the EU and the US.

On Feb. 1st, 2009, the EU started to impose as high as 85% of antidumping rate on certain iron and steel fasteners from China, immediately striking down the market share of Chinese iron and steel

fasteners in the EU as well as benefiting other countries on fastener supply like Japan, Taiwan, South Korea, and ASEAN. Even though the highest rate was reduced from 85% to 74.1%, based on the revised measure updated on Oct. 10th, 2012, the Chinese iron and steel fasteners are still not able to recover from the setback.

Noticing the upcoming expiry of the 5-year antidumping measure, European Industrial Fasteners Institute (EIFI) filed a petition to the European Commission (EC) on Oct. 1st, 2013, requesting for a re-investigation on whether the dumping of Chinese certain iron and steel fasteners may or may not continuously cause material injury to the producers within 28 EU state members, as well as whether to extend the measure for 5 more years. On Jan. 30th, 2014, the EC accepted the application and launched the investigation. The investigation is expected to last for 15 months and the final determination is set to be announced before Jan. 29th, 2015. Before the final determination, the rate ranging from 22.9% to 74.1% will remain valid.

People from the industry did not commonly feel strange to the news recently released. If by the beginning of 2015, the EU continues to impose the antidumping rate, the global fastener industry will see another 5 years of similar market share. The EU will remain as the economy with the 2nd largest fastener demand, only second to the US. On the other hand, the recovery of economies in Western Europe will also be favorable to the export of Taiwanese iron and steel fasteners to the EU. However, if the measure is terminated, the power of Chinese manufacturing will reform the market share of the global fastener industry.

Uprising Automobile Demand

The statistics of global car production and sales were released in the beginning of 2014. According to the latest data from OICA, the global car production for the first half of 2013 was 43.54 million units, up 1.6% from the previous corresponding period. It is thus optimistically expected that the result for the complete year of 2013 will reach 86 million units. As for sales, the global car sale for 2012 was 82.1 million units. With all the favorable factors to boost the market recovery, if calculated based on the annual increase margin of 4 million units starting from 2010, the global car sale will break 86 million units for 2013.

What's in Our Next Issue

Fastener World Magazine May issue #146 is going to hit your desk soon. Following the vibrant feedback from readers for the feature on "Japan" in Issue #140, we broaden the focus to the entire "Asian Fastener Market" with other features on "Small Screws" and "Fasteners in Special Materials," aiming at high quality Taiwanese suppliers. If you are one of the fastener suppliers or traders, who wants to gain presence in Asia, or who wants to start your business in Asia, don't miss the chance to join us. ■