

# U.S. Fasteners Market Outlook

The global market for industrial fasteners is predicted to reach US\$81 billion by the year 2018. The tremendous growth in this market is caused by revival in motor vehicle production, increased demand from developing regions, and potential growth in construction, electrical and electronic, and aerospace sectors. Fasteners are also in high demand in the manufacture of electrical oriented products, such as lighting and wiring devices, home appliances, and construction equipment.

The industrial fastener market in the U.S. is anticipated to grow accordingly. The market is expected to reach 4.3% growth annually through 2017 with the value about US\$14.8 billion. This significant growth is mainly caused by the upward perspective in the industries which fasteners are utilized. The growing aerospace and automotive manufacturing, OEM and construction market have the outstanding roles compared to other industries.

## The Strongest Demand Generators

As mentioned earlier, various industries and sectors could significantly impact on the demand of industrial fasteners in the market. That is to say the performance improvement in those industries will increase the demand for the fasteners utilized in the respective industries and sectors. Because of the heavy use of standard fasteners in original equipment manufacturing market (OEM), maintenance/repair/operations (MRO) market, and construction industry, these groups of fasteners still have the highest demand in the market. Notably, the externally threaded standard fasteners which have registered their fastest gains in recent years are expected to continue their growth through 2017.

Besides, the demand for application specific fasteners is expected to increase, since aerospace equipment shipments accelerate. The composites utilized in aircraft production may require fewer fasteners, compared to the usage of standard fasteners in OEM, but provide great opportunities for high value selling for special fasteners.

The aerospace fasteners are forecast to rise about US\$6.8

billion by the year 2018. This is largely because of restoration in the advancement of air travel, and the subsequent increase in aircraft maintenance which makes this market one of the robust demand originators for fasteners in next few years.

Another key demand generator is the automotive industry. Although in automotive industry manufacturers are still continuing to reduce the number of fasteners in order to decrease the weight of production, fasteners suppliers keep finding opportunities to produce fasteners for the growing electric and hybrid vehicle market. This market constitutes about 1/4 of all fastener demand in the US market.

In addition to the improved outlook in OEM, aerospace, and automotive industries, the construction industry has experienced steady growth over the past two years. Both residential and non-residential construction activities in the U.S. are strongly recovered from the declines registered from 2007 to 2012. This segment will be expected to face with the fastest growth in fasteners sales.

## Import and Export

The domestic demand in the U.S. market is predicted to grow faster than the rate of growth in domestic supply. That is, the import of fasteners is still forecast to be more than the exports. By looking at the historical data and statistics in last several years, it could be realized that the import of fasteners has outpaced the exports.

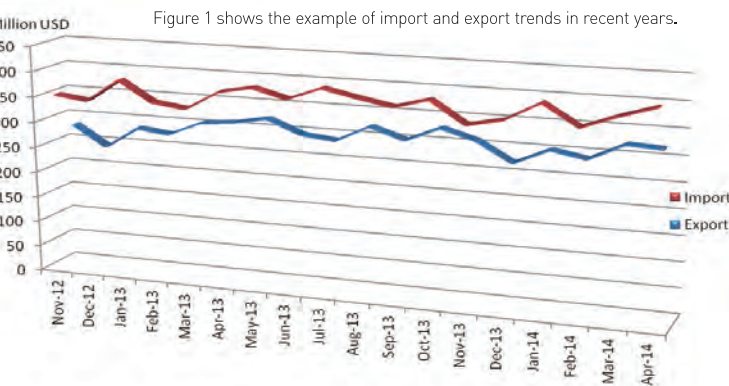
U.S. trade deficit is expected to expand in next few years, and the competition from foreign suppliers will remain intense. Although the level of production in the U.S. is forecast for significant improvement, increasing external pressures (i.e. Taiwan and China the top two suppliers of fasteners to the U.S.) may offset domestic production growth. Moreover, the growth in demand for affordable and cheaper foreign products from the Americans will affect the consumer products imports.

U.S. fastener to overcome the external suppliers will revolutionize a new strategy to support and help match customer demand for their products in spite of the external pressures from foreign suppliers. Therefore, industry revenue is forecast to increase over the four years to 2018.

## Conclusion

With the reference to various reports and market studies, the value and performance of U.S. fasteners market will significantly grow. Mainly, as a result of growth in OEM and MRO market, construction industry, motor vehicle manufacturing and aerospace equipment.

In spite of all the above opportunities for U.S. fasteners market, fasteners suppliers will face toughest challenges in next few years. The significant threat from substitute products, and competition from alternative joining technologies, such as adhesives, clinching, and welding, will



U.S. fastener to overcome the external suppliers will revolutionize a new strategy to support and help match customer demand for their products in spite of the external pressures from foreign suppliers. Therefore, industry revenue is forecast to increase over the four years to 2018.

prevent further gains in a number of applications. Moreover, fasteners are a mature product; while opportunities for value-added technological improvements certainly exist, they tend to be limited in many markets. Last but not the least, competition from foreign producers, as well as moderating raw material costs, will hold back price increases, reducing value gains. With continuous improvements, technological advancements and development of innovative manufacturing methods, the applications of standards and specific fasteners could overcome the challenges and continue its steady growth.