

# Fastener World News

compiled by Fastener World Inc.

## CBSA Announces Expiry Review Decision on Certain Carbon Steel Fasteners from China and Taiwan

On April 23, 2014, the Canadian International Trade Tribunal (Tribunal), pursuant to subsection 76.03(3) of the Special Import Measures Act (SIMA), initiated an expiry review of its order made on January 6, 2010 in Expiry Review No. RR-2009-001 which continued with amendment and its findings of material injury made on January 7, 2005 in Inquiry No. NQ-2004-005 concerning the dumping of certain carbon steel fasteners originating in or exported from the People's Republic of China (China) and Taiwan and the subsidizing of such goods originating in or exported from China. As a result, on April 24, 2014, the President of the Canada Border Services Agency (CBSA) initiated an expiry review investigation to determine whether the expiry of the order is likely to result in the continuation or resumption of dumping and/or subsidizing of the goods.

The investigation has now been completed, pursuant to paragraph 76.03(7)(a) of SIMA, the President of the CBSA (President) has determined that the expiry of the order:

1. is likely to result in the continuation or resumption of dumping of certain carbon steel fasteners originating in or exported from the People's Republic of China and Taiwan, and
2. is likely to result in the continuation or resumption of subsidizing of certain carbon steel fasteners originating in or exported from the People's Republic of China.

A Statement of Reasons that contains additional details concerning the determination made by the President will be issued within fifteen days. The Statement of Reasons will be posted on the CBSA's Web site at: [www.cbsa-asfc.gc.ca/sima-lmsi/er-rre/menu-eng.html](http://www.cbsa-asfc.gc.ca/sima-lmsi/er-rre/menu-eng.html). The Tribunal will now conduct an inquiry to determine whether the expiry of its order is likely to result in injury or retardation to the Canadian industry, and has announced that it will issue its decision no later than January 5, 2015. Questions relating to the President's determination should be addressed to: Gilles Bourdon Tel: 613-954-7262 Joël Joyal Tel: 613-954-7173.

## National Machinery- the "Lamborghini" in Machinery Industry



With the aim at upgrading the technical level

of related Taiwanese industries, the inventor of multi-station cold forging machines, U.S. National Machinery, introduced the highest level of manufacturing equipment to Taiwan, in anticipation of making components made in Taiwan manufactured with mature technology and high-end manufacturing facilities become the most critical source of key components in the world. U.S. National Machinery established in 1874 has long history and years of experience in design, development, and production for high-speed metal part cold formers. With its advanced production and R&D, plus the globally connected sales & service network, it can always take the lead in the world.

CEO Andrew Kalnow of U.S. National Machinery said, "Taiwanese industries have reached a certain technical level. Accordingly, with good expectation to Taiwan's technical strength, we wish that the introduction of our machines can help Taiwanese industries elevate their technical strength further, manufacture products with high added value, and tap into the high-end component markets like engines, intrusive medical device, and aerospace parts." General manager Kuo of Nufast Logistics, the local Taiwanese agent of U.S. National Machinery, said, "Machines manufactured by U.S. National Machinery can be proclaimed the "Lamborghini" of the machinery industry, which can be used by the fastener industry or other general part manufacturers. They are operated by computers and can change dies automatically. They can also operate with the aid of automatic warehousing systems to make fully automatic operation a reality.

## Panasonic Is Said to Acquire Ficosa

Auto Piloting has become quite popular in the automotive industry. Will the acceleration of the R&D of such related technology result in another trend of M&A activities in the auto parts industry? After the acquisition of TRW Automotive by ZF (a leading auto parts supplier in Germany) for USD13.5 billion, Panasonic is also said to consider acquiring the leading auto parts supplier Ficosa International SA in Spain.

Nikkei News reported on Sep. 25 that Panasonic would consider investing 20-30 billion Japanese yens in acquiring nearly 50% of Ficosa's shares by the end of March 2015. The report also pointed that Panasonic and Ficosa both agreed to finalize the transaction by the end of 2014 and Panasonic might increase its holding of Ficosa's shares, after Ficosa becomes the subsidiary business unit of it.

It is reported that Panasonic values the automotive industry as its strategy for growth and the acquisition will be the first large-scale M&A activity Panasonic takes in the automotive industry.

## Grainger Group

### Acklands-Grainger Completes Acquisition of WFS

Acklands-Grainger Inc., Canada's largest distributor of industrial, safety and fastener products, announced that it has completed its acquisition of WFS Enterprises Inc. (WFS), a leading distributor of tools and supplies to industrial markets in Southern Ontario and select U.S. locations. Acklands-Grainger previously announced its agreement to acquire WFS on July 21, 2014.

Founded in 1955 as Windsor Factory Supply and based in Windsor, Ontario, WFS offers customers more than 100,000 maintenance, repair and operating (MRO) products with a focus on safety, metalworking, plumbing, and hand and power tools. The company employs approximately 275 people and has 12 locations, including 10 branches in Southwest Ontario and locations in Michigan and South Carolina. WFS had 2013 sales of approximately CAD \$90 million / USD \$87 million. The acquisition of WFS will allow Acklands-Grainger to provide even better selection and service to customers, particularly those in Eastern Canada and the manufacturing sector.

### Grainger Names Dean Johnson As New President of Acklands-Grainger

Grainger, the leading broad line supplier of maintenance, repair and operating (MRO) products serving businesses and institutions, announced it has named Dean Johnson as president of its Canadian business, Acklands-Grainger.

Johnson assumes this role from Eric Nowlin who elected to return to California with his family at the end of his expat assignment. "We are excited to welcome Dean to Grainger. He has significant experience managing large organizations throughout Canada, and a strong focus on customer service and employee engagement," said Court Carruthers, senior vice president and group president, Americas. Johnson joins Acklands-Grainger from Sodexo Canada, where he served as president and CEO, responsible for strategy, performance and management. He holds a bachelor's degree in Mechanical Engineering, as well as a Business Management Certificate, from the University of Calgary. Johnson starts on October 1, based in Toronto, reporting to Carruthers.



### German ZF Acquires U.S. TRW

German leading auto part manufacturer ZF Friedrichshafen AG announced on Sep. 15 that it has acquired U.S. TRW Automotive. The estimated sum of transaction (incl. debts) is about USD 13.5 billion. ZF said that it expects to reinforce its R&D and investment in new technology like auto driving. After the acquisition, the top 3 largest auto part manufacturers will be all from Germany, and the scale of ZF will climb to the 2nd largest place around the world.

The current revenue of ZF is ranked the 9th place in the auto parts industry. After acquiring TRW, ZF's revenue in the U.S. will be multiplied by 2.3 to reach EUR 6.5 billion and the revenue in China will also be multiplied by 1.8 to reach EUR 5.4 billion. ZF's total revenue will increase to EUR 30 billion, outpacing Japanese DENSO to be the 3rd largest manufacturer in the world, only second to German Bosch (annual revenue in 2013: EUR 46 billion) and German Continental (annual revenue in 2013: EUR 33.3 billion).



### SENCO Screws Earn ICC-ES Evaluation Report

SENCO, an international manufacturer of professional-grade fasteners and power fastener products, has received an evaluation report (ESR #3558) from ICC Evaluation Service (ICC-ES) certifying that these fasteners meet the 2009 and 2012

International Building Code (IBC) and International Residential Code (IRC). Evaluation reports are used extensively by architects, engineers, contractors, specifiers, and others in the building industry that have an interest in making sure products and systems meet building-code requirements.

The scope of the review included evaluation of SENCO Brands' self-piercing and self-drilling tapping screws. SENCO's high level of quality and proven performance enabled its tapping screws to earn this certification. The evaluation information can now be used by specifiers who wish to use SENCO fasteners in engineering and architectural drawings for commercial and large residential structures. The fasteners which gained approval are commonly used for connections involving cold formed steel framing. Common applications include joining drywall/gypsum sheathing to steel, steel to steel framing, steel sheathing to steel framing, and certain wood to steel framing.



## Wroe Appointed CEO of Apex Tool Group

Apex Tool Group, LLC, a global leader in industrial hand and power tools, announced that Thomas Wroe, Jr., current Chairman of the Board and a highly experienced leader of global industrial companies, will assume the additional role of CEO. He succeeds Steve Breitzka, who is stepping down to begin the next phase in his career. Headquartered in Sparks, Maryland, Apex Tool Group is one of the largest worldwide producers of industrial hand and power tools, tool storage, drill chucks, chain, and electronic soldering products. Apex Tool Group, directly and through its subsidiaries, serves a multitude of global markets, including automotive, aerospace, electronics, energy, hardware, industrial, and consumer retail. Wroe previously served as CEO of Sensata Technologies, where he remains Chairman of the Board. Prior to Sensata, Wroe had a successful career with Texas Instruments, where he was named President.



## TriMas Announces Tom Aepelbacher as President of Its Aerospace and Defense Segment

TriMas Corporation announced the appointment of Tom Aepelbacher as president of the Aerospace & Defense segment at TriMas Corporation. Aepelbacher, currently vice president of the global services organization at TriMas Corporation, will continue reporting directly to TriMas President and Chief Executive Officer Dave Wathen. The Aerospace & Defense segment designs, develops and manufactures precision engineered components to serve the aerospace and defense markets, and is comprised of Monogram Aerospace Fasteners, Mac Fasteners, Martinic Engineering, Inc., and NI Industries. With this management addition, David Adler, an experienced aerospace executive with extensive customer relationships and product knowledge, will now focus on product development across the aerospace businesses and will report to Aepelbacher. Aepelbacher received a Bachelor of Science degree in Industrial Manufacturing from Northern Michigan University.

## Fastenal Group

### Selected Into 2014 Top 100 World's Most Innovative Companies

According to Forbes' current news release of the World's Most Innovative Companies in 2014, Minnesota-headquartered Fastenal, established in 1967, has been honored with the 19th place in the Top 100 List. It is the only fastener company that is in the top 100. The annual sales of Fastenal reached 3.3 billion US dollars and its 12-month sales growth was at 8.9%, with 5-year annualized total return being 20.6% and the innovation premium being 50.9%. These results were all quite remarkable. Fastenal was once selected as one of the 100 largest non-financial companies publicly traded in US Nasdaq.



### Acquires Aerospace Product Distributor Av-Tech Industries

Fastenal Company announced that it has acquired certain assets of Av-Tech Industries, a wholesale distributor of aerospace fasteners, electronic components, and miscellaneous aircraft parts. "We feel there is a strong opportunity for our company to continue to grow within the aerospace market," said Fastenal President Lee Hein. "Av-Tech Industries will be a great asset in that mission and a great fit for the Fastenal team, sharing the same core values, commitment to quality, and culture of customer service."

Av-Tech Industries was founded in 1987 in Arlington, TX. Specializing in the sourcing, distribution and fulfillment of off-the-shelf and hard to find products, the company services a wide range of customers in a variety of industries, including aerospace, aviation, aircraft repair, air conditioning, automotive, window manufacturing, and other commercial concerns.

### To Relocate in Sidney, Ohio

Fastenal Company has announced its plan to relocate in Sidney by the end of 2014. Fastenal Company is an industrial supplier of specialty fasteners and industrial vending machines. This opportunity gives the company the capability of bringing a bigger and better experience to Sidney and Shelby County. "We are also increasing our store size by an additional 40 percent again with intent to benefit Fastenal's customers," said District Manager for the Greater Dayton Ohio Area Matthew Hudson. Over the past 47 years, Fastenal has grown from a small-town fastener shop, to the world's most efficient supplier of OEM, MRO, and construction products. Along the way, they've never wavered in their belief that great service starts with being close to their customers, which is why today they operate nearly 2,700 stores spanning all 50 states and 20-plus nations. Fastenal's plans are to open their new doors on North Vandemark in December. The company hopes other companies looking for nondurable goods including fasteners, material handling equipment, tools, abrasive products, safety, PPE, office supplies, and janitorial equipment will contact them.





## Subsidiary Würth Malta Celebrates 25th Company Anniversary and Inaugurates New Head Office

On the occasion of its 25th company anniversary, Würth Malta opened a new head office in Zebbug, Malta. Within the framework of an inauguration ceremony with employees and their families, Prof. Dr. h. c. mult. Reinhold Würth, Chairman of the Supervisory Board of the Würth Group's Family Trusts, officially opened the new building together with the management of the subsidiary.

The construction of the building, which consists of administrative build, branch office and distribution center, had become necessary due to the growth of Würth Malta Ltd. in the past years. The new building is furthermore logistical

prerequisite for a stronger focusing onto the North-African market. "Malta lies geographically in the center of the Mediterranean Sea, with close proximity to the south of Europe and the north of Africa, where we also want to strengthen our strategic position. These new premises enable us to offer a much better service than before to all our customers. At the same time, it gives us a competitive edge over our competitors", explains Angela Zammit, Managing Director and C.E.O. of Würth Malta Ltd.

The new head office covering a total surface area of 2,300 square meters consists of a six-story building with underground carpark. The building houses a warehouse and logistics center, an office section, a showroom for customers as well as a modern branch office at an area of 490 square meters. The amount invested comes to EUR 6.5 million. Würth Malta Ltd. was established in 1988 and has a total of 65 employees today. In 2013, the company generated sales of EUR 5.32 million.

## Bossard Proposes Addition to Board of Directors at Next AGM



The Board of Directors is proposing to elect Mr. Daniel Lippuner and Dr. René Cotting to the Bossard Holding AG Board of Directors at the next Annual General Meeting of Shareholders (AGM) on April 13, 2015. Daniel Lippuner (1969) is the Group Chief Executive Officer of the Saurer Group, Shanghai (China) and Wattwil (CH). In 2013, he assumed this role after holding professional positions at OC Oerlikon, Pfäffikon, Hilti AG, Schaan, and Rieter Automotive, Winterthur (today Autoneum), whereby he has been employed for several years in India, China and Southeast Asia. He is a qualified business economist with a degree from the St. Gallen University of the Applied Sciences. Specifically he will bring his knowledge of the Asian markets, his broad, global industrial experience and his expertise in the field of innovations to the Board of Directors of Bossard Holding AG.

René Cotting (1970) has held a variety of positions since 1995 in the ABB Group both domestically and abroad, currently as CFO in the Executive Board of ABB Schweiz, Baden. Mr. Cotting studied economics and social sciences at the University of Fribourg, from which he also received his Doctor of Philosophy (PhD). He furthered his education at the International Institute for Management Development (IMD) in Lausanne and at the Harvard Business School in Boston, among others. Mr. Cotting will in particular bring his European and American market expertise as well as his experience in the fields of finance and supply management to the Board of Directors.

Member of the Board of Directors Urs Fankhauser passed away in February 2014; in 2013, Dr. Beat Lüthi and Erica Jakober stepped down from the Board of Directors of Bossard Holding AG. The Board of Directors is delighted to be able to propose Mr. Daniel Lippuner and Dr. René Cotting for election at the AGM, which elected Maria Theresa Vacalli in 2013, two more Swiss personalities with an ample treasure trove of international experience.

## Bulten Officially Inaugurates Its Russian Production Facility

On Oct. 28th, Bulten officially inaugurates its Russian production facility. The factory is Bulten's first in Russia and also the first modern manufacturing unit of fasteners for the automotive industry in the country. "We started production in the today inaugurated Russian business at the end of September - initially in small scale but with a planned gradual increase in volume. Bulten and GAZ have in a very cost effective way created a modern production together and I see great potential in this initiative", says Tommy Andersson, President and CEO of Bulten. As part of the venture, a production facility of 12,500 square meters has been renovated in Gorky Automobile Plant, where international modern machinery has been installed to enable all process steps in production of high quality fasteners.



## ARaymond Network Fastener Supplier Close to Completing Biggest Industrial Expansion in 150-year History

The 150th anniversary of the ARaymond Network in 2015 will also mark the completion of the largest and most ambitious industrial expansion in its history, according to CEO Antoine Raymond. Over a three-year period the fastener network will have invested more than 350 million building or extending 14 plants around the world and purchasing the very latest machinery and equipment.

Mr Raymond said, "Our investment has been spread across both developing countries and emerging markets. We have opened brand new plants in Japan, India, Germany, France and China, and doubled the size of our sites in the USA, Brazil and the Czech Republic. We have invested in state-of-the-art stamping machines, injection-molding equipment and assembly technology. In addition, the layouts of all our plants have been carefully designed to incorporate the latest lean manufacturing methods."

"These new and upgraded facilities will give us significant added capacity and eliminate bottlenecks in production that we have experienced with some of our product lines in the past. Delivery lead times will be reduced and the distribution of our automotive fasteners, clips and quick connectors will be improved in many markets." Since 2009, the turnover of the network has more than doubled, rising from ø440 million to ø930 million.



## Lindstrom Metric, LLC Announces Two New Vice Presidents



Lindstrom, the leading domestic supplier of metric fasteners to distributors –

with the corporate headquarters located in Blaine, MN, is pleased to announce the promotion of Rick English based in Greenville, SC and Bernie Longen based in Blaine, MN to the position of Vice President. Rick and Bernie have been in key management positions at Lindstrom for many years. During this time, they made important contributions to the success and growth of the company. Under their leadership, the teams provide unmatched service and value for distributors. Rick will be responsible for sales and customer service in the Eastern U.S. and Bernie will be responsible for the Central and Western U.S. Both will lead new strategic initiatives designed to make Lindstrom the premier master distributor of fasteners. Lindstrom built its reputation on personal attention to customers, high levels of satisfaction, product expertise, and innovation.

## D&S Fasteners Brings Concierge-Style Sourcing Solutions Online with Launch of New Website



D&S Fasteners, a Pittsburgh-based global supplier of fasteners, tools, safety products and industrial equipment, announced that it has rolled out a new website. Rich Celaschi, a D&S Fasteners representative, explained that the primary purpose of the website is to allow customers to more easily connect with the company's team of sourcing experts. Celaschi said, "Customers don't need to know the serial number or the exact name of the product they're looking for. They don't need to dig through pages of menus. We just ask them to tell us what they want and then we do all the rest." His team currently provides this service for the complete catalogs of Brighton-Best, Winzer, Nucor Fasteners and Star Stainless Screw Company. He added that D&S Fasteners is also able to provide customers with fully customized fabrication for obscure or obsolete hardware and components. "For years our team has worked with multinational companies sourcing components and fasteners," Celaschi said. "The website is an extension of our commitment that also brings our expertise to a wider audience."

## Owlett-Jaton Boosts Turnover for Kellaway

Bristol-based builders' merchant Kellaway Building Supplies has consolidated its entire fastener and fixings range to Owlett-Jaton, doubling turnover of this product range over the last 12 months. Purchasing director Bob Fleetwood explained, "Previously we were buying our fasteners and fixings from a number of suppliers, but we were finding that as more third parties were chosen for this product range, we were invariably buying too many things from too many different suppliers. We wanted to work with Owlett-Jaton in finding a solution that would identify and eliminate the causes of waste, expense and risk." Owlett-Jaton has been working with Kellaway for around 10 years and was therefore well placed to understand the vital requirements of the business. Andy Connor, national commercial manager at Owlett-Jaton, helped Mr Fleetwood to identify a core range of fasteners and fixings and streamline the procurement process. This model was then gradually rolled out across the rest of the business. This has reduced purchase costs for Kellaway as well as procurement and supplier management costs, increased procurement process efficiency overall and subsequently doubled turnover for the fasteners and fixings portfolio.



## Gem-Year Group

### Honored with Dual “Provincial Top 10”

The Zhejiang Fastener Industry Association of China currently announced the final honor recipients of “Top 10 Famous Brands” and “Top 10 Men of Zhejiang Province.” The result shows that Gem-Year Industrial and other 5 leading fasteners companies were selected into the “Top 10 Famous Brands.” In addition, Chairman of Jiaxin Fastener Industry Association Yong-Long Tsai, Directors Chen Lian Chen and Min Hua Jen were honored with “Top 10 Men of Zhejiang Fastener Industry.”

### Hits Limit-up with Excellent Sales Results

After China’s Gem-Year Industrial reported that it won the bid in the supply of fasteners used on the railway from Xi’an to Chengdu at the total contract value of RMB0.253 billion in Aug. 2014, the sales of the company was then in a sharp increase. In the first half of 2014, the total operating income reached RMB1.66 billion, up 42.2% from the corresponding period last year (net profit: RMB94.85 million compared to RMB2.7472 million in the last corresponding period). Sales continued to grow with improving quality of products. The gross margin of its main fastener business hiked to 31.5%, up 13.3% from the last corresponding period.

Three major business sectors of Gem-Year include: fasteners, intelligent warehousing facilities, and logistics. The downstream businesses are usually for railway applications and the fastener business represents over 95% sales of the company.



President Yong Long Tsai (Gem-Year)

### To Build Modern Hardware Logistics System for Revenue Growth

Learning from the successful results of leading Grainger and Fastenal, Gem-Year now has its long term strategic plan for building hardware sales & logistics systems. In addition to the focus on fastener production, development of high-end fasteners, auto fasteners, and railway fasteners, Gem-Year is also aggressively integrating the profit making downstream sales approaches, building the hardware sales & logistics system, and setting up chain stores offering modern fastener supply service and MRO, which supports the continuous development of the company.

So far, 3 projects to build the hardware sales & logistics systems in Jiashan, Shenyang, and Quanzhou are in progress as scheduled and are almost finished. The advantage of Gem-Year adopting the modern hardware logistics is that it has 4,000 direct customers and 2,000 distributors. The future of the fastener industry (incl. the hardware industry) depends on the ability to supply service (like sales, warehousing & delivery, and one-stop service), rather than the ability to produce. If one can offer the sales & service network with the widest coverage, own the ability to achieve effective warehousing & delivery, and have the ability to provide one-stop service, he wins.

## NAFCO Rides on Aerospace Trend with Active Investments

After completing the new plant in June, NAFCO continues to purchase equipment, apply for production certification, develop and introduce engine bolts, machined parts and machine nuts in order to improve its competitiveness in the global aerospace fastener market. As the Taiwanese aerospace leader AIDC goes public, NAFCO’s value surges along the way. Currently, China and India are fully dedicated to the aerospace fastener industry. NAFCO correspondingly reinvests USD 5 million in NSP (NAFCO Suzhou Precision) to gain quick access to the supply for the growing demand in Asia. NAFCO’s EPS in the first half of 2014 was NTD 2.25.



## German Automotive Fastener Maker Sets up New Branch in Kaohsiung

German automotive fastener maker HEWI has officially announced its entry into Southern Taiwan Science Park (Kaohsiung) and held the opening ceremony for its Kaohsiung branch.

So far there are around 1,290 fastener companies in Taiwan, among which 600 companies are located in Lujhu and Gangshan Districts of Kaohsiung. In 2003 Taiwan exported a record high 1.46 million tons of fasteners in total valued at USD 3.84 billion, in which the production value of Gangshan District accounted for 70 percent. This drives peripheral industries to flourish and altogether form a complete industry cluster.

HEWI is the top automotive fastener maker in Germany, and a Tier1 supplier for Volkswagen, BMW, and Mercedes-Benz. Its Kaohsiung branch possesses high-end technology, R&D capability, multiple patents and techniques. Being optimistic to Kaohsiung’s advantages in the steel industry along with a complete fastener industry cluster, HEWI chose Kaohsiung for its new Asia branch wishing to cooperate with local companies at a close range, obtain semi-finished products and process them, package them and then supply them to the vast China market. Additionally, Taiwanese automotive fastener makers can obtain orders from global automotive giants via HEWI, and open up the entry to the global supply chain.



## Ching Chan Optical Technology

### Becomes the Direct Investor of Shanghai Alisan Precision

Ching Chan Optical Technology Co. Ltd (its Kunshan branch Quanying Machinery Co., Ltd) owns 100% shares of Shanghai Alisan Precision Co. Ltd, effective since September 1, 2014. Shanghai Alisan Precision will continue to operate under its original brand.

### Expects Better Annual Revenue for 2014

Ching Chan Optical Technology Co., Ltd, a major manufacturer of screw sorting machines gives bright sales performance so far this year (2014). Revenue for the last 9 consecutive months surpassed that of the previous period. Shipment exceeded 300 units. Full year revenue is expected at over NTD 600 million. The company's revenue for 2013 was around NTD 350 million. President Alex Wu announced a 40% growth goal for 2014 revenue in a business meeting with cooperative partners. Given the current situations, the company may reach the goal even earlier.

With the sales remaining at a high speed growth, the plant is running out of manufacturing capacity. Last year the company invested NTD 350 million in a 9,917 square meters plant. This new plant will be completed at the end of October and begin operation at the start of 2015 to fuel more sales. Recently the company has acquired another Taiwan-funded sorting machine plant in China, and engaged in production and sales of screw forming machines. These moves with inauguration of the new plant will be more for the global deployment in 2015.

The company's capital is valued at NTD 218 million. Currently, the company is proactively preparing to be over the counter in Q4 2016.



## OFCO with Improving Production Expects Increasing Revenue Starting from September

Taiwanese leading screw and nut manufacturer, OFCO, has been back on track after years of corporate restructure, financial adjustment, and the shutdown of production lines for products with low competitiveness and low entry barriers. Compared to other screw companies mainly exporting to the American market, OFCO currently focuses on the European market due to its limited resources and the shift of EU's orders from China to other countries as a result of the antidumping duties.

There are generally two development approaches for Taiwanese fastener companies: one is developing customized fasteners with high added value (e.g., products related to automobiles, aerospace, and energy); the other is providing one-stop shopping service through continuously adding more standard parts into the product range to increase customers' loyalty. OFCO positions itself as a standard parts provider and focuses mainly on industrial and construction large size bolts as the entry barrier is comparatively high. In addition to increasing the orders from Europe, OFCO will also try to make long-term agreements with its customers and continuously establish the market segmentation of each product to accumulate the momentum for operation.

## Chin Well's Major Shareholder Ups Stake with Purchase of 21.5m Shares

Chin Well Holdings Bhd's managing director Tsai Yung Chuan saw his indirect stake increase to 58.12% following the purchase of 21.52 million shares by its major shareholder Benua Handal Sdn Bhd. A filing with Bursa Malaysia on Monday showed Benua Handal, in which he is deemed interest, bought the shares at RM1.40 each in an off-market transaction on Sept 19. After the recent purchase, the shareholding was increased to 158.40 million shares or 58.12%.

Tsai, a Taiwanese, was appointed to the Board of Chin Well on March 2, 1999 and he is one of the founders of the group. He graduated with a certificate in electrical engineering from Lienho Junior College of Technology in Taiwan in 1975. He started his career as a general manager by joining his family business, Jinn Her Enterprise Co. Ltd., a factory manufacturing fasteners in 1980. He embarked on expanding to Malaysia during his visit in 1988.



Executive Director Tsai (Chin Well)

## Feng Yi Expects Returns in Q4

Feng Yi started its business as a trader for coils and wires. In 2006, general manager Kern Hsiung Huang, noticing the potential of titanium fasteners, began to pay his attention to the R&D of titanium fasteners.

Mr. Huang said, the manufacturing cost of titanium fasteners is high and will need the introduction of high-end technology, and therefore, few companies have stepped into this market sector thus far. However, as titanium screws are usually considered "corrosion resistant, with high strength, and lightweight," they have been widely applied to military, automotive, medical, chemicals, energy, and marine industries. Due to scarcity and a high competitive edge of titanium fasteners in the market, Feng Yi is gradually increasing its export of titanium fasteners year on year and is also looking for European/U.S. partners or distributors. It wishes to catch the world's attention to the R&D capability of Taiwanese fastener industry.



General manager Kern Hsiung Huang



## Thomas Chang of Anchor Fasteners Most Likely to Be New TIFI Chairman

After the closure of preliminary meetings in 4 different regions of Taiwan, 273 member representatives were chosen and will elect the new TIFI chairman in December. As the incumbent Chairman Joe Chen is no longer qualified to be a candidate for the next chairman, some senior fastener companies said that if the current scenario continues without anyone declaring his intention to be the candidate by the yearend, the incumbent Vice Chairman is very likely to be elected to take over the position as TIFI chairman.

Chang, at the age of 61, has been in the fastener industry for nearly 40 years. He founded Anchor Fasteners 28 years ago and was once appointed as Chief Director of TIFI's Committee for Int'l Affairs. He now serves as Vice Chairman of TIFI. His work experience and qualifications are undeniably recognized by the industry. Having served as TIFI Vice Chairman for 9 years (3 terms of office), Thomas Chang is very likely to be elected as the next TIFI chairman.

## ND Industries Annual Revenue Reaches Target Ahead of Time

With the recovering world economy and the market demand for solar and eco-friendly fasteners, ND Industries, a major Taiwanese supplier of fastener anti-loosening industry, demonstrates better-than-expected revenue for 2014. General manager Ricky Hsang states that stable domestic steel price and well-recognized customizability help the company reach the target ahead of schedule. The annual revenue growth is estimated at 35%.

Ricky Hsang says the headquarters in Detroit has over 60 years of history and is the largest and leading brand in the American fastener anti-loosening industry. To expand business in Asia, in 2002 ND Industries set up a branch in Kaohsiung of Taiwan, which is also the company's first overseas branch. The branch specializes in automated processing coating as well as anti-loosening, anti-leakage, and coating service for fasteners coated by clients. ND Industries' products, well received by global clients and certified by the U.S. military and NASA, apply to automotive components, electronics, machinery, aerospace industries, etc. ND Industries is also one of the largest vibration-proof technology companies in the U.S.



## Chun Yu's Retired Operation VP Founds Advance Fastech

The booming fastener industry now welcomes the newly established Advance Fastech Industrial Co., Ltd. located in Gangshan, Kaohsiung. President Johnson Su played a very critical character in the creation of this new company. He started his career as a manufacturing assistant in Chun Yu, a leading fastener manufacturer, and was later promoted to take the position of Operation VP, over the past 38 years. "Basically, manufacturing and marketing were both my responsibility. As a part of Chun Yu's team, I once spent one third of my career time working in Indonesia and USA for Chun Yu. Many people asked me if I could work for their companies after retirement, and that is why Advance Fastech was founded based on the inheritance of experience and chances to service the industry," says President Su.

Founded in July 2012, the first order Advance Fastech received was for aerospace fasteners, showing its advantages in outstanding technology. "Being a company that produces special, customized, and the most advanced products" is how Advance Fastech defines itself. President Su once served as a senior director of TIFI, so his social ability cannot be underestimated. Located in Gangshan, Advance Fastech with its existing techniques and marketing ability is believed to be able to take the lead in the industry soon. Advance Fastech is now active in contacting and searching for business partners, especially those for aerospace, automotive, and railway fasteners, in order to create a fastener market with high added value. Tel: 886-7-6258795 E-Mail: johnsonijsu@gmail.com



## China's CSR Meishan Expands Business to Low Floor Trams

CSR Meishan is the largest company of R&D, manufacturing, and testing of rivets and pins in China. Founded in 2005, it has passed the audit of the former Ministry of China Railway and has been allowed to produce rivets. It was also allowed to stimulate the standards for rivets, short end rivets, and rivet pins used in railway applications. Over 80 million pieces of rivets and pins have been installed on over 0.4 million units of vehicles. Since 2006 it has become the first company in China (second in the world) that owns the R&D ability of bom screws used in automotive, city metro, heavy-duty truck, and steel structure industries.

Afterwards, CSR Meishan started to cooperate with international well-known fastener companies and gained the recognition from China Railway and city metro, the military, Australian mining machines & railway equipment, and U.S. truck markets. It also developed and manufactured products for Australian mining machines & railway equipment, U.S. trucks, Indian railway, British solar energy, and the products were exported to over 20 countries. Its annual capacity for rivets (ø5~ø40mm) can reach 30 million pieces and is expected to further increase to 50 million pieces by 2017.





## Sumeeko Sees Promising Future for New Orders & Global Footprints with New Factory Plans

Benefited from the recovering global car market, public auto component and fastener maker Sumeeko received another round of new orders in October 2014. It is expected to perform well in Q4 revenue and profit. In 2015, its plant in Pingtung Export Processing Zone will contribute to the current capacity which will increase from 1,000-1,100 tons per month to 2,000-2,200 tons per month. Its revenue and profit for 2015 is expected to hit a new record again.

Sumeeko manufactures various types of fasteners, 75% of which are applied to automotive components, and 10% of which are applied to machines such as agricultural machines. It is one of the few Tier 1 component suppliers in Taiwan that directly supply to car makers such as GM, Chrysler, Toyota, and the world-renowned electric car maker Tesla. Q3 revenue at NTD 318 million, down 3.93% from the last quarter. Growth rate was slightly lower than estimated but still reached 12.77%. According to Sumeeko, order intake in the fourth quarter is visible for 5 months, and business prospect is optimistic. Car body structures ordered by GM will be shipped starting the end of October, and will help improve the business in Q4.

In addition, looking forward to the car market development in China, Sumeeko is evaluating the acquisition of a China-based fastener plant. If everything works out, Sumeeko's production base may extend to China and gain its enormous car orders at a short distance.

## Boltun's Automotive Fasteners Favored by Global Car Makers

Boltun Corporation and QST International Corporation are jointly forming strong competitiveness in global automotive fastener market. Boltun's products are sold to major car makers in Europe, U.S., and China. Propelled by China's car industry growth rate and components localization policy in the recent two years, Boltun extends business from the main market (Europe and the U.S.) to China. The company has set up production bases in Xiamen and Suzhou with streamlined technology, equipment, and service. It monitors critical procedures such as pickling, spheroidizing, wire drawing, cold pressing, hot forging, stamping, machining, heat treatment, electroplating, coating, sorting, and assembling to substantially reduce production cost.

QST International vice president says Boltun has acquired supplier accreditations from many international car makers and components makers, including Shanghai Volkswagen, Shanghai GM, Dongfeng Nissan, Ford Q1, TRW and Benteler (chassis makers), Dana (world top maker of drive shaft and axle), etc. In 2013 Boltun acquired Volkswagen's Grade 10.9 (and above) accreditation, and at the level above Tier 1 it can directly supply to all Volkswagen's automotive assembly plants. Boltun is the only Asian fastener company accredited by Volkswagen headquarters, and now it has the access to Volkswagen's 11 car brands such as Volkswagen, Audi, Skoda, and Porsche.

## 80% of Counterfeit Components in British Cars Are From China

China's counterfeit components are known internationally. Not long ago when China's government delegation visited UK, they were embarrassed to be told by BAFD that 70% to 80% of components in British cars were counterfeits from China.

The main profits for car distributors do not come from new car sales, but from after-sales that focus on repair and maintenance. Wear parts in particular take quite a large portion of the profits. Prices for genuine parts can be multiple times higher than that for aftermarket parts, and thus genuine parts guarantee profit gain. China's after-sales parts market is large. According to related statistics, back in 2012 car maintenance after-sales market reached 400 billion production value. By 2015 the value will reach 700 billion. However, those China's component companies and maintenance companies with very small scale are dubbed as "scattered and low-level". A specialist said, "Since the past this industry had very low social status, and it was the most messed-up market in the automotive supply chain because there was no such thing as standards and government surveillance was rare."



## Ukrainian Crisis Knocks Down Russian Car Sales

We are seeing more warning signs that Ukrainian Crisis is unsettling the economy. Association of European Businesses reported on Oct. 8 of 2014 that Russian car sales in September dropped by 20% over 2013. According to the association, after the 25% drop in August, Russian car sales in September dropped by an additional 197.233 thousand units, down 20.1% over 2013. Statistics show that Russian car sales of the first 3 quarters declined 13% (260 thousand units) over the same period in 2013.

The Automotive Manufacturing Committee, subordinated to Association of European Businesses, said in a statement that in spite September sales driven by holiday demands are slightly higher than August sales, the Russian automotive industry as a whole still looks dim. Russian car sales in 2014 is estimated at around 2.45 million units, down 12% from 2.77 million units in the previous period. Almost all European major car makers have critical investments in Russia. Since 2012 Russia has already become the second largest car market in EU, only second to Germany. However, in the summer of 2013, Russian car sales started to slope down with the economy. After the outbreak of Ukrainian Crisis, the U.S. and Europe put economic sanctions on Russia, and consequently Russian car market dwindled even faster.



## EU New Car Sale Denotes Continuously Improving Automotive Industry

Despite the weak economy in Europe and the outbreak of Ukrainian crisis, the automotive industry of EU has been in continuous recovery over this past 8 months and the sale of new cars climbed 6% to 8.3 million units of vehicles. European Automobile Manufacturer's Association (ACEA) indicated that the growth in August declined and the sale of new cars increased by 2.1% to 669,395 units of vehicles. In contrast, last July the sale of new cars in EU grew sharply and new car registrations in the euro zone increased by 5.6% to 1.04 million units of vehicles.

August is basically a low season for the sale of new cars. For example, the sale in France dropped by 2.6%, Germany down 0.4%, and Italy in a 0.2% decline. After 6 months of gradual decline in new car sale, the current new car sale of EU has shown its recovery for 12 consecutive months; however, the pace of growth for each month differed. In UK, the new car sale during Jan. through Aug. hiked 10% to 1.5 million units, Germany up 2.6% to 1.97 million units, and France increased by 1.6% to nearly 1.2 million units.

## Joint Venture for Steel Wire Rod Processing to Be Established in Mexico

Shinsho Corporation and Kobe Steel, Ltd have agreed with Metal One Corporation, Osaka Seiko Ltd, Mexico's Grupo Simec S.A.B. de C.V., and O&k American Corporation in the United States to establish a joint venture in Mexico to produce steel wire of cold heading (CH) quality. Called Kobelco CH Wire Mexicana, S.A. de C.V. (or KCHM), the new joint venture will process steel wire rod into CH steel wire for sale to automotive parts manufacturers in Mexico.



CH steel wire is used to make automotive fasteners and cold-forged products. KCHM will be headed by President Mitsufumi Konishi, who will come from Shinsho. The company will be established in the Santa Fe Industrial Park in Silao, State of Guanajuato, Mexico. Total investment is anticipated to reach approximately US\$41 million (4.3 billion yen). KCHM will be capitalized at US\$11.9 million (1.2 billion yen). Shinsho is anticipated to hold 40 percent of KCHM; Metal One, 25 percent; Kobe Steel, 10 percent; Osaka Seiko, 10 percent; Simec, 10 percent, and O&k American, 5 percent.

The joint venture will employ about 80 people when it reaches full production. Operations are to start at the end of 2015. The new plant, with a production capacity of 40,000 tons per year, will have wire drawing machines, pickling equipment and heat treatment furnaces. Mexico's auto production of 1.5 million cars in 2009 rose to 2.93 million units in 2013, and solid growth is anticipated in the coming years. Many Japanese auto parts manufacturers are setting up operations in Mexico. This is anticipated to create substantial demand for CH steel wire, as well as a growing need for a local source of this material. By producing in an area of increasing demand, KCHM will be able to quickly supply CH steel wire of outstanding surface quality and contribute to expanding the business of its customers.

## China-based German Auto Part Suppliers Required to Establish Joint-venture with Chinese Companies

According to ElringKlinger, a German auto part supplier, several German auto part suppliers have been notified by Chinese authorities that they must establish joint-venture with other Chinese companies if they would like to continue their operation in China. These German suppliers consider this requirement to be plagiarism of their intellectual properties. "If we really do so, half the assets of the whole company will be taken away, or actually be confiscated," Stefan Wolf, CEO of ElringKlinger, told the media. He added that the Chinese government noticed 50% of the global automotive trade was in China, but the domestic Chinese companies did not get the benefit in return as the government claimed."

Recently sources claim that China has initiated the antidumping investigation against automotive industries. According to the European Union Chamber of Commerce in China, non-Chinese companies seemed to be unfairly biased in the investigation. The current dilemma for automotive industries in China is that, automotive suppliers from EU and USA are eager to increase their market share in China, but on the other hand, the Chinese government does not allow all non-Chinese automotive suppliers to gain over 50% of the total company shares under joint-venture. It is known that 3 German auto part suppliers have been searching for their Chinese partners. However, Joerg Wuttke, chairman of the European Union Chamber of Commerce in China, says that the China government has no plans to require foreign auto parts suppliers to set up joint ventures.

## Fastener Factory Shutdown After Illegal Discharge of Liquid Waste

Taiwan's Jun Yu Enterprise (transliteration) located in Yanchao, Kaohsiung was found by EPA officers to discharge liquid waste used for the pickling process of fasteners into Dien Bao River when Typhoon Phoenix swept over Taiwan. The pH value of the liquid waste was 1.65, equivalent to strong acid. The EPA officers thus forced the factory to shut down immediately with the additional fine of NTD 0.6 million, according to the water pollution laws. The Environmental Protection Agency of Kaohsiung has already shut down 25 factories since it began to frequently execute the clampdown on the illegal discharge of liquid waste of factories last year.