



# How American Car Exports and Political Tensions with Russia Could Affect the Fastener Industry

It's not a surprise that the trade between the United States and Europe is large, incredibly large. In fact, this year, (January-September) the United States has imported \$366 billion in goods from Europe and exported \$252 billion to the continent. Germany and the United Kingdom make up roughly 40 percent of the total value of U.S. imports and nearly 30 percent of U.S. exports.

Although these countries account for a large chunk of the trade, the United States imports and exports with over 56 other European nations. Among these countries are Russia and Ukraine, which have been a hotbed for political tension, especially when it comes to international trade.

Currently, Russia has prohibited imports of specific foods coming from the United States and the European Union (EU), but the list of banned products could get even longer. Recently, there have been talks of Russia placing a ban on automotive imports from the United States, EU, and even Japan. A ban like this could cause a trickle-down effect on dozens of industries, including fasteners.

## U.S. Exports of Automobiles and Passenger Cars to Russia. How Do These Affect Fasteners?

Russia is the third-largest country in Europe importing American automobiles, including passenger cars. So far this year (January-September), Russia has increased its imports of U.S. automobiles by 14 percent, compared to the same time in 2013. This amounted to nearly \$1.7 billion.

U.S. passenger cars make up the majority of those imports and account for \$1.2 billion of the total U.S.-auto exports to Russia. The country has increased its imports of U.S. passenger cars by 26 percent, so far this year. Looking at just September numbers, Russia's rise in imports of U.S. passenger cars has continued. Total imports for the month are over \$131 million, which is 4 percent higher than September of 2013.

Russia's economy and currency has declined over the last several months, which has industries wondering if this climb in U.S.-auto imports will continue, or could it be a sign of Russia preparing for yet another ban? If Russia sets an automotive ban in place, it could have major ramifications on the fastener industry. Fasteners are a key component of auto-production, so a dramatic

decline in U.S. auto exports (i.e., a ban by Russia) could backlash on the fastener trade entirely. Hopefully these threats don't become a reality.

U.S. Exports of Automotives to Europe			
	01/2014 - 09/2014	01/2013 - 09/2013	% Change
Country	Total Value	Total Value	Total Value
Germany	\$5,107,354,312	\$4,653,709,557	10%
United Kingdom	\$1,919,580,331	\$1,548,600,646	24%
Russia	\$1,696,454,606	\$1,492,217,938	14%
Belgium	\$858,383,968	\$742,137,706	16%
Netherlands	\$660,496,126	\$442,830,934	49%
Italy	\$446,858,251	\$389,164,719	15%
Norway	\$428,905,666	\$170,720,670	151%
France	\$428,641,841	\$474,053,768	-10%
Switzerland	\$240,401,660	\$197,341,958	22%
Spain	\$224,465,364	\$211,690,338	6%

## U.S. and Europe Fastener Trade

Currently, the fastener trade between the United States and Europe is boasting well. Year-to-date (January-September), U.S. imports of fasteners from Europe have increased 20 percent and U.S. exports of fasteners to Europe have also risen 6 percent.

## U.S. Imports of European Fasteners

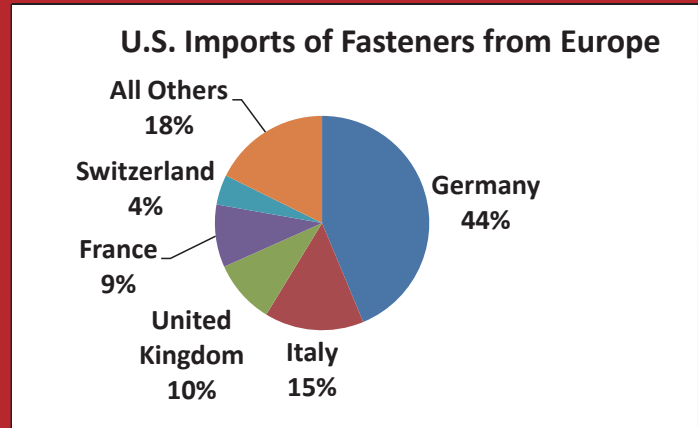
Nearly 43 percent of U.S. imports of European fasteners come from Germany. So far in 2014, U.S. imports of German fasteners have amounted to \$269 million, which is 24 percent higher than the same time last year. Italy is the second-largest European supplier of fasteners to the United States. It has accounted for 15 percent of imports with a total value of \$92 million, so far this year.

The top fastener products the United States imports from Europe include threaded nuts, non-threaded fasteners, and bolts. Threaded nut imports increased 22 percent, compared with the same time last year, with a total value in 2014, of \$71 million. Non-threaded fasteners have also increased in imports year-to-date by 19 percent, with a value of \$64 million. By far the



largest increase in a fastener product category is bolts. Bolt imports from Europe are up 35 percent, compared to this time last year, with a total value of \$39 million.

U.S. Imports of Fasteners from Europe			
	01/2014 - 09/2014	01/2013 - 09/2013	% Change
Country	Total Value	Total Value	Total Value
Germany	\$269,047,822	\$216,207,905	24%
Italy	\$92,231,055	\$74,606,817	24%
United Kingdom	\$59,165,058	\$51,994,879	14%
France	\$58,145,194	\$53,143,744	9%
Switzerland	\$27,831,041	\$24,291,984	15%
Sweden	\$22,926,350	\$15,650,720	46%
Spain	\$12,631,190	\$10,711,713	18%
Denmark	\$10,416,506	\$4,958,805	110%
Liechtenstein	\$9,855,324	\$12,492,823	-21%
All Others	\$108,895,375	\$94,542,733	-15%



U.S. Imports of Fasteners from Europe by HTS Code					
HTS Code 10-digit	01/2014 - 09/2014		01/2013 - 09/2013		% Change
	Total Value	% of Total Value	Total Value	% of Total Value	Total Value
7318160085 - Other Threaded Nuts Of Iron Or Steel, Nesoi	\$71,671,932	11.65%	\$58,892,150	11.44%	22%
7318290000 - Other Non-threaded Articles (Fasteners) Of Iron Or Steel, Nesoi	\$64,896,406	10.55%	\$54,645,862	10.62%	19%
7318152095 - Bolts And Bolts And Their Nuts Or Washers Entered Or Exported In The Same Shipment, Of Iron Or Steel, Having Shanks Or Threads With A Diameter Of 6mm Or More Nesoi	\$39,565,856	6.43%	\$29,305,239	5.69%	35%
7318158085 - Other Screws Of Iron Or Steel, Having Shanks Or Threads With A Diameter Of 6mm Or More, Nesoi	\$39,059,954	6.35%	\$36,515,995	7.09%	7%
7318220000 - Washers Other Than Lock Washers, Iron Or Steel	\$37,920,034	6.16%	\$31,896,901	6.20%	19%
7318152010 - Bolts And Bolts And Their Nuts Or Washers Entered Or Exported In The Same Shipment, Of Iron Or Steel, Having Shanks Or Threads With A Diameter Less Than 6mm	\$28,612,170	4.65%	\$23,928,651	4.65%	20%
7318190000 - Threaded Articles Of Iron Or Steel Nesoi (Not Bolts, Nuts Or Screws)	\$27,153,196	4.41%	\$21,922,089	4.26%	24%
7318158069 - Screws Of Iron Or Steel, With Hexagonal Heads, Having Shanks Or Threads With A Diameter Of 6 Mm Or More, Nesoi	\$25,527,781	4.15%	\$21,961,022	4.27%	16%
7318160060 - Other Threaded Nuts Of Stainless Steel	\$24,436,692	3.97%	\$20,408,575	3.96%	20%
7318152065 - Bolts Of Iron Or Steel With Hexagonal Heads, Having Shanks Or Threads With A Diameter Of 6mm Or More, Nesoi	\$21,735,851	3.53%	\$14,934,981	2.90%	46%

## U.S. Exports of European Fasteners

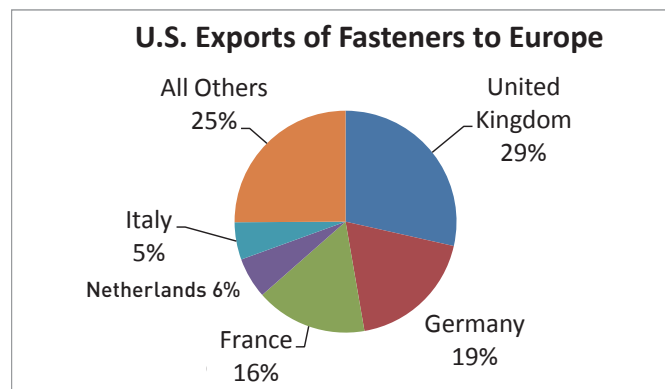
The United Kingdom is the largest European importer of American fasteners. The country consumes 29 percent of all U.S. fasteners sent to Europe, with a total value of over \$134 million so far this year. Germany has surpassed France in 2014 as the second-largest U.S. fastener importer in Europe. U.S. exports of fasteners to Germany have increased a whopping 34 percent compared with the same time last year, with a total value (January-September) of \$88 million. U.S. exports to France have actually declined by 9 percent, compared with this time in

2013, with a total value of \$76 million.

The top U.S. fastener exports to Europe include nuts, bolts, and non-threaded fasteners. U.S. nut exports to Europe have had a huge surge, compared to the same time last year, with an increase of 21 percent and a total value of \$102 million. Bolts exports had an increase of 8 percent year-to-date, with a total value of \$80 million and nuts also increased 5 percent, valued at nearly \$75 million.



U.S. Exports of Fasteners to Europe			
	01/2014 - 09/2014	01/2013 - 09/2013	% Change
Country	Total Value	Total Value	Total Value
United Kingdom	\$134,818,940	\$129,126,943	4%
Germany	\$88,579,115	\$64,688,684	37%
France	\$76,806,294	\$84,634,415	-9%
Netherlands	\$28,075,585	\$24,432,615	15%
Italy	\$25,770,183	\$25,573,859	1%
Belgium	\$15,839,270	\$14,768,361	7%
Spain	\$15,073,219	\$13,936,737	8%
Switzerland	\$11,172,735	\$18,168,253	-39%
Czech Republic	\$10,467,986	\$9,019,184	16%
All Others	\$118,558,085	\$116,199,862	2%



## U.S. Trade of Fasteners with Russia

The United States imports very little fasteners from Russia, but it exports a significant amount to the country. Russia is the 14th-largest European importer of American fasteners. So far this year (January-September), Russia has imported over \$5 million in U.S. fasteners, which is actually 16 percent less than the same time in 2013. This could be attributed to Russia's slowing economy, or to the fact that country is potentially finding suppliers somewhere else. A decline in fastener imports can signal a number of things.

## Recap

Overall, U.S. car exports to Russia have remained strong but there is still a looming threat as to whether that trend will continue. Will Russia soon ban American auto imports? And how will it affect fasteners? The fastener trade between the United States and Europe has also remained intact, with both imports and exports rising. From this view, political trade tensions don't appear to be affecting the industry. Could it in 2015? And although U.S. exports of fasteners to Russia are down, it may be too soon to tell what the root cause could be. Has Russia found alternative suppliers, or is this a sign of their turning economy? Only 2015 can answer these questions. So far 2014 has been a positive year for growth in the industry. ■