

Say “Ciao” to Italian Fastener Market

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A look at Italy's Economy

Italy is the fourth largest European economy and has for long enjoyed one of the highest per capita incomes in Europe, despite the decline in traditional industries such as textiles and car manufacturing as a result of globalization.

After declining during most of 2014, the economy in Italy is projected to return to growth by mid-2015 and accelerate somewhat further in 2016. The projected revival of Italy's export market will also support stronger growth. Unemployment will begin to decline in 2016, but is set to remain at high levels, while wage gains look to remain modest.

To support economic growth, the government has appropriately delayed fiscal consolidation and has completed some initial steps in its comprehensive program of structural reforms. Italy's economic freedom score is 60.9, making its economy the 86th freest in the 2014 Index.

Industrial Fasteners in Italy

The fastener production in the European Union (EU) totalled 10 billion in 2013, after an average annual increase of 11% in the period of 2009-2013. The apparent fastener demand in the EU is sourced mainly from Germany, Italy, France, UK, Poland, Spain, Austria, Czech Republic, and Netherlands. Each of these countries has its own market focus.

The main industries in Italy, as one of the key players in the EU, are machinery building, motor vehicle production, aircraft and household equipment. After Germany, the country is the 2nd largest machinery producer in Europe; the country produces virtually all categories of machinery. Of course, the general construction industry is also among the major market segments.

The value of Italian fastener production in 2013 was 2,024 million and recognised as one of the top manufacturers in the EU which accounted 20% of total EU fastener production in 2013. One of the important things that differentiate this country from another leading country in the EU, Germany, is that Italian producers still manufacture relatively low quality fasteners. The reason for that is their strong request for anti-dumping measures against Chinese imports in the past.

European Union exports of fasteners reached 10.3 billion in 2013. The average annual growth in 2009-2013 was 13%. Italy, as one of the leading exporters was placed in the second position with 13% of total export value in the EU. However, in next few years the export value in Italy and other EU countries is predicted to show a small growth.

The imports of fasteners in the EU reached 10.6 billion in 2013. Although in production and export of fasteners Italy was the 2nd position amongst other leaders, in import it was the 6th with the value of 570 million.

DIY vs Professional Segment

Generally, the market for fasteners can be divided into 'professional', with users in for example the construction, machine building, automotive, shipbuilding and furniture industry, and 'consumer', where users can be defined as 'Do-It-Yourself' (DIY) consumers. Some details per segment are:

Professional segment: chances for direct sales are limited for small exporters. Therefore, it is best to target specialized importers and agents when interested in supplying these professional markets in any EU countries including Italy.

Consumer segment: Because it is difficult for a small exporter to get into direct contact with large trade partners such as the DIY chains (or their purchasing combinations), it is recommended you focus your initial attention on finding an importer or agent.

In the consumer market segment in Europe, DIY market chains take a leading role, although their market share differs from EU country to EU country. DIY chains usually buy from distributors, because they do not have large stocking possibilities at the DIY markets. Fast delivery is required and mostly small quantities are ordered for delivery within 48 hours. Only promotion articles are sometimes ordered directly from manufacturers, like buckets with screws and/or ranges of fasteners. This offers an opportunity for small exporters.

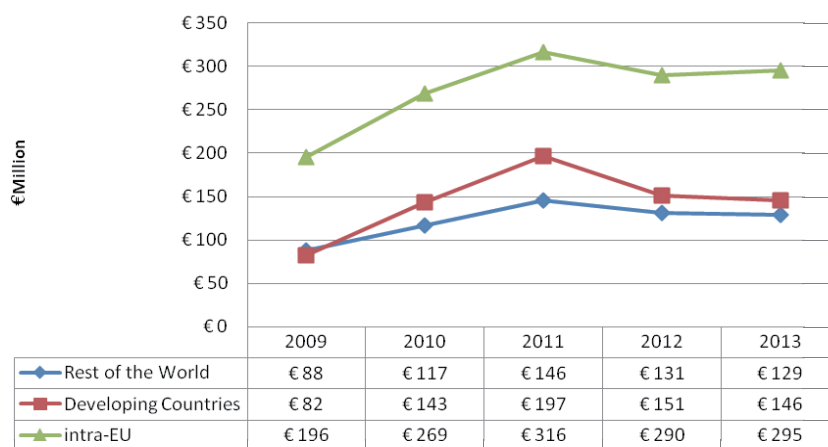
Although GDP growth forecasts are improving, pricing is and will continue to be a leading influential competitive factor. Competitive pricing is elementary for exporters planning to enter the European market. Although this especially applies to the Do-It-Yourself construction market segment, it has also become a leading factor in the professional segment, despite the high quality requirements in that segment.

You Are More Than Welcome to Italian Fastener Market If You Supply Advanced Fasteners

One of the major trends emerging in Italian industrial fastener market is the development of industry-specific fasteners. For instance, companies are developing alloy fasteners and wrenchable nuts with increased strength and corrosion and temperature-resistance properties for the aerospace and defence sector. Other developments are in the area of self-clinching and self-locking fasteners that are expected to enhance the operational efficiency for plastic assemblies.

Light weight fasteners are clearly increasing in popularity in Western Europe, especially in the professional markets in Italy. Such fasteners are increasingly made of stainless steel, aluminum, and coated with teflon or geomet, instead of being galvanized.

Italy Fasteners Imports Value



Non-threaded fasteners are forecast to show the highest growth rate in the next few years, as innovations in this product area may offer end-users interesting cost advantages.

The market for fasteners with 6-sided heads has decreased quickly in recent years. As their production was relatively energy-intensive, they have been replaced by round headed products with an inner profile.

The threat to industrial fastener manufacturers is that professional tapes, adhesives and glues gain in importance and replace fasteners, but very slowly, in a wide range of applications. Therefore, there are better opportunities for producers who are able to supply advanced fasteners by offering customized manufacturing based on the need of end-users.

Try to Be More Environmentally Friendly

Environmental awareness is growing among companies in Europe, for a main part driven by implementation of stricter legislation. Companies nowadays not only judge products on aspects like price, quality and standards, but also on their environmental aspects. In Italy, in the case of fasteners, there is special attention to the anti-corrosive surface treatment with chemicals like zinc, chrome or other coatings, like geomet.

Fastener producers increase their chances by being able to do coating treatments in-house, following process certification according to ISO 14001 and being compliant with the RoHS standard. By taking the right precautions and producing environmentally sound products, fastener suppliers may create a competitive advantage in the European market and more specifically in Italian Market, when emphasizing the environmental soundness of the product in their marketing and product information.

In conclusion, entering into Italian market is not that complicated if you carefully consider all those tips. The only thing that is left is to say CIAO to this market.

Sources

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