



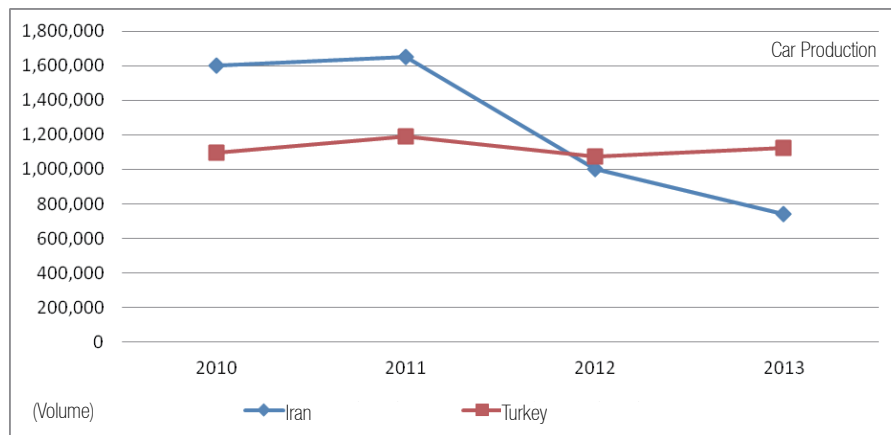
The Middle East Fastener Industry Overview and Market Strategy Analysis

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Introduction

The global market for industrial fasteners is forecast to reach US\$81 billion by 2018. Fasteners are also in high demand in the manufacture of car producers, auto part producers, electrical oriented products (such as lighting and wiring devices), home appliances, and construction equipment.

Car Production (Volume)	2010	2011	2012	2013	2014 up to 2nd Quarter
Iran	1,599,454	1,649,311	1,000,089	743,680	488,069
Turkey	1,094,557	1,189,131	1,072,978	1,125,534	564,078



The growth trend of the exported cars is shown in the following table.

Product code	Region	Unit: Thousands USD		
		Value in 2011	Value in 2012	Value in 2013
8703	World	637,165,564	644,551,726	671,544,017
	Middle East	8,737,320	7,509,616	8,585,173
	Turkey	6,485,558	6,069,143	6,856,457
	Iran	180,441	3,868	6,014

Middle East Car Producers

Iran as the biggest car manufacturer in the Middle East has suffered sanctions since 6 years ago. The impact of this embargo is visible in the growth trend of this industry. Iranian companies are faced with another challenge; that is, the decreasing value of Iranian currency in comparison to USD. The value of USD has grown 3.5 times the value of Iranian currency (RIs) since 2010.

Iranian car production trend is of shown in the following table. Turkey as the 2nd biggest car manufacturer in this region has shown a consistent trend since 4 years ago.

Iranian car production has declined about 25%, which means less fastener usage; on the other hand, Turkish production has grown about 12%, which has covered the lack of fastener usage in Iran.

The remaining USD 2 billion difference between the Middle East and the main producer countries in this region is the portion of Arabic countries like UAE, KSA (Saudi Arabia), etc., which sell cars as dealers.

Middle East Electrical Oriented and Home Appliance Producers

Electrical products are another category that different fasteners are used to their production process. This market value is over USD 2,000 billion and the Middle East portion of this market is about 1.2%!!

The total value of electrical equipment business shows a 2% growth in the Middle East, but the export of UAE has reduced about 33%. UAE has some huge contracts with famous brands of electrical producers in the world to assemble their products in the country, and the decreasing 33% of their export translate to the reduction in producing and it means the origin companies are not satisfied with UAE companies'

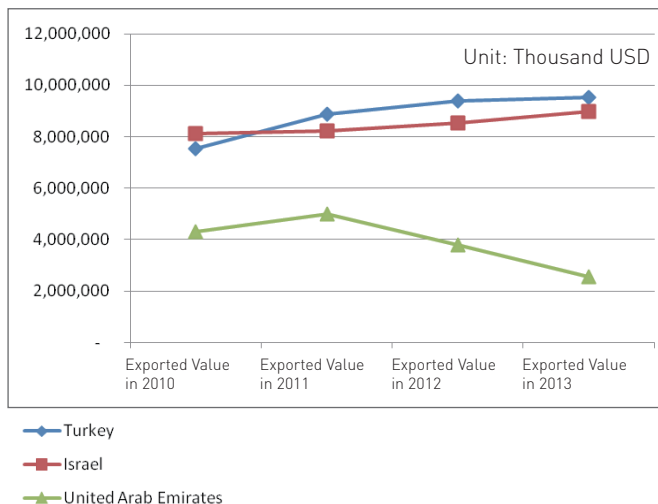
Unit: Thousand USD

Exporters	Export value in 2010	Export value in 2011	Export value in 2012	Export value in 2013
World	1,960,211,268	2,129,998,073	2,142,240,630	2,068,102,164
Middle East Aggregation	23,575,689	26,269,399	25,564,761	25,178,998
Turkey	7,530,930	8,874,475	9,380,088	9,544,686
Israel	8,135,704	8,210,759	8,526,557	8,993,682
United Arab Emirates	4,304,848	4,993,213	3,801,154	2,542,395
Saudi Arabia	1,058,756	1,187,122	1,341,414	1,560,284
Egypt	816,426	1,166,612	1,153,693	1,204,814
Others	1,729,025	1,837,218	1,361,855	1,333,137

cooperation.

It can be an alarm to fastener traders and producers that work professionally in this market. They will lose a

Electrical Oriented and Home Appliances Product Export Value

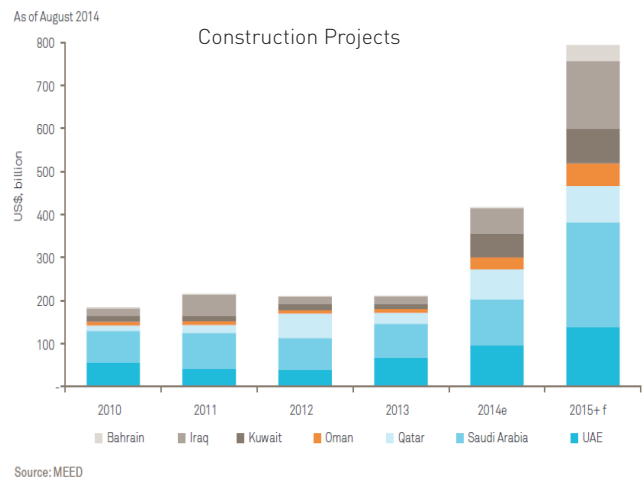


part of their market in the near future; therefore, finding an alternative market is highly recommended.

Middle East Construction Business

In 2014 AECOM conducted their first Middle East construction survey. The aim of this survey is to assess the state of the regional construction industry, examine the drivers and barriers currently at play and to reflect on concerns expressed by their client organizations and other industry stakeholders.

The UAE construction sector has improved (see the following Figure); in contrast, despite large spending plans in countries such as Saudi Arabia, Qatar and Kuwait, the flow of construction projects is , however, disappointing, owing in part to slow political decision making and revisiting of project scopes, highlighting the fact and associated risk



that much of the region remains reliant on governments pushing ahead with their investment commitments.

This sector is a booming market especially in the current year for fastener producers; therefore, a specific view and allocating a budget for marketing for potential customers is highly recommended.

Conclusion

The countries that make up the Middle East have a combined population of more than 320 million people and form an area of tremendous strategic and economic importance to the world. Although doing business in the Middle East can present some unique challenges, many fastener companies have found a high source of demand for their goods and services in the region. In addition, the different countries are promoting free trade agreements with other states in the region including Oman, and the United Arab Emirates.

It is supposed that Iran's political problem will be solved in the current year and an untapped market will be open to foreign companies and consequently for fastener producers.