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RUSSIA

## Asian Industrial Fastener Market

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Asian industrial fastener market is expected to reach USD 44.12 billion by 2020, according to a new study by Grand View Research, Inc. The market is anticipated to witness significant growth over the forecast period on account of considerable rise in the automotive industry in emerging markets. There will be growing automotive demand to propel demand for nuts, screws, bolts, studs, rivets, nails and washers over the next seven years. In construction, fasteners are widely used in furniture, stairs, roofs, windows and doors. Increasing investment in construction as a result of economic growth and industrialization in emerging markets is expected to drive fasteners demand.

Continuous growth of the Chinese and Indian durable goods manufacturing industries and rising demand for industrial parts for infrastructure is expected to stimulate market demand. China dominated the Asian fasteners market last year and the trend is anticipated to continue over the forecast period on account of rapid expansion of the domestic manufacturing base. India is expected to witness the fastest growth over the projected period as a result of increasing automotive production. In addition, infrastructure improvement in emerging economies is likely to propel demand for screws, bolts and rivets. Increasing MRO services in this region for airframe maintenance, engine overhaul and aircraft modifications & conversion are further anticipated to drive market demand over the forecast period.



China

China is the leading producer and exporter of industrial fasteners in the world, accounting for about 40% of revenue of this market. China has become the largest manufacturing and exporting country of fasteners with the most complete categories after its entrance to the World Trade Organization. China's market for industrial fasteners is highly fragmented due to the presence of numerous companies. Product innovation and formation of strategic alliances with application users are expected to be critical success factors for this market.

Increased production of motor vehicles, industrial machinery, electrical and electronic components and renovation of infrastructure provided brilliant opportunities for growth of industrial fasteners market in China. Growing domestic demand for vehicles owing to improving infrastructure conditions coupled with rising disposable income have been key factors responsible for automobile production growth in China.

New product innovation and advanced processing techniques are likely to open new market opportunities such as the aerospace fasteners market. Government investments in commercial and military aircrafts and impending aerospace projects such as solar research, aerospace shuttles and scientific recoverable satellites, have added to the growth in demand for aerospace fasteners.

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Taiwan drives the world fastener market with high-quality fasteners and fixing tools. Taiwan and its fastener production is an integral part of the global fastener industry and during the last thirty years has become one of the most important fastener exporting countries. Although China has the highest market share of industrial fasteners, restrictions on Chinese fastener imports have popularized industrial fasteners from Taiwan in the global market. Free of antidumping tariffs on steel fasteners, Taiwan has taken a lot of fastener business from China based on a comparative price and excellent quality.

Importantly, Taiwan's fastener market is famous for its high quality raw materials, talented technical people, long term production experience, stable material supply and adhesion to delivery. Its ability to innovate through research and development and its quality effective supply systems, allow it to obtain high quality tooling, heat treatment facilities, surface treatment plants and state-of- the-art production equipment. Taiwanese fastener manufacturers have the ability to globally supply directly or through an extensive network of professional fastener trading companies, and they have been forced to be upmarket and upgrade capabilities.



Industrial fasteners in India cover a wide range of products which are broadly classified into two groups: high tensile strength fasteners and mild steel fasteners depending on their tensile strength. Manufacture of high tensile fasteners requires superior technology and these are hence mainly manufactured in the organised sector. On the other hand, manufacturing of mild steel fasteners is concentrated in the unorganised sector.

The automobile industry is the largest consumer of fasteners. India is already home to a significant and growing number of automotive design and research centres. This is significant when compared to other countries where fastener producers have little direct input to design. Increasing use of fasteners for manufacturing automotive parts including engines, chassis, moulding, suspension systems, frames, body assembling and wheels is expected to drive significantly the demand for fasteners in India.

The other major user-segments are construction, textile machinery, railway locomotives, computer hardware and general engineering. There exists significant export potential for Indian industrial fasteners. However, poor product standardisation, relatively higher raw material costs and low labour productivity make Indian fasteners less competitive in the global market.



The Japanese fastener industry is comprised of approximately 3,000 manufacturers that produce a total of approximately 1 trillion yen worth of fasteners annually and approximately 400 distributors and trading companies that generate a significant annual revenue. These companies work day in and day out to improve quality of products and service they offer, with the goal of becoming the world's most advanced producers and suppliers of screws that fully satisfy customers.

Fasteners are mainly used in almost all manufactured products from vehicles and electric home appliances to vessels, bridges, houses and furniture to make sure that they have good quality and safety.

Japanese fastener (of steel or iron) imports hit record high in 2014 with import value up 35.3% year on year, the fifth consecutive year of growth since 2010. The good performance of Japanese fastener imports last year should be attributed to the urgent demand to improve the consumption tax which led to the Yen devaluation and the rise of import price.

To meet various needs of different manufacturers, Japanese suppliers work hard to incorporate the latest technology and equipment while screw distributors and trading companies try to have a wide variety of items so that they can meet all users' requirements. For instance, a mid-size screw manufacturer successfully developed ultrafine micro fasteners made from ultrafine steel wires developed using Japan's excellent technology in steel manufacturing and material processing. These super ultrafine micro fasteners get ahead of the future needs for super fine screws.



Thailand, a significant emerging market, represents 2% of the total export value of Taiwan. Thailand's economic growth derived from sectors that are heavy fastener users, including the automotive, electronics and construction industries. Thailand has a very well-developed manufacturing industry in general and automotive industry in specific. The recovery of Thai automotive industry considerably increased the demand for the related fasteners.

Moreover, in regard to the growth of the overall manufacturing

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industry that pushed the fastener demand from OEMs, fasteners in Thai market were in short supply and the import value was much higher than the export value.

The majority of Thai fastener suppliers are small to medium sized entities facing aggressive competition from international rivals based in other Asian countries. Although foreign direct investment (FDI) in Thailand manufacturing is not large, the rapid growth of Thai automotive industry, the strong increase in durable products and increasing export revenue, all support the stable growth of Thai fastener industry.

As mentioned, the growing economy in this country is built on a progressive manufacturing sector with particular strengths in automotive and electronics production. This presents exciting opportunities for fastener suppliers looking to strengthen and establish their business position in Asian markets.

## Wrap-up

Sharp investments and increase in the number of fastener suppliers have heightened fastener demand from the emerging economies compared to the more developed markets. Asia-Pacific represents the biggest and fastest growing regional market worldwide. Although China is the leading producer and exporter of industrial fasteners in the world, Taiwan has the highest balance of trade with the significant amount of export in fasteners.

With increased numbers of manufacturing activities, investments and developments in the direction of becoming an

3,500,000 2,500,000 1,500,000

2012

China Taiwan India Japan Thailand

2013

2014



economic superpower, China is anticipated to register the largest gains compared to any other national market in the world. Further, the favourable economic climate and rising income levels leading to increase in demand for durable goods would drive growth in India, Thailand and Taiwan. Regardless of the fact that emerging economies would grow at a fast pace, developed economies such as Western Europe, the U.S., Japan and Canada would continue to lead the market in terms of the number of intensive users for fastening products, revealing the technological and industrially advanced nature of these countries.

## Source

1,000,000

500,000

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2010

2011

Fastener Market in Thailand, MIRDC Global Industrial Fasteners Market, Grand View Research Industrial Fastener Market, Global Fastener News The Fastener Market in India - an Overview, Mack Brooks Exhibitions Ltd The Fastener Institute of Japan, Fastener Industry Trade Map, Trade Statistics for International Business Development

Import Value (USD) Iron & Steel Screws, Bolts, Nuts, Coach-screws, etc.