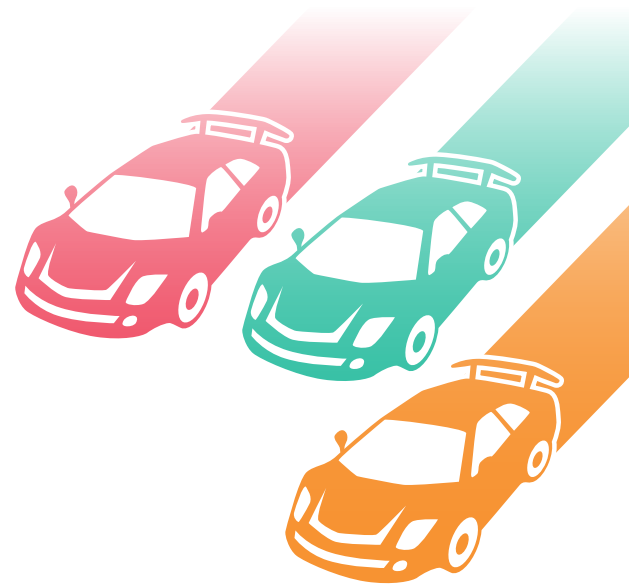


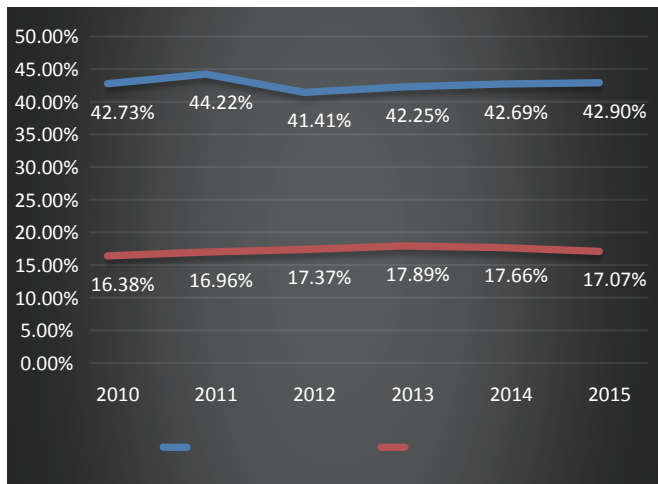
Automotive Fastener Business in Eastern Europe



by Sharareh Shahidi Hamedani

Market	Market Value in Year	2010	2011	2012	2013	2014	2015 (Q 1-2)
World		58,429,251	71,368,909	70,162,523	73,375,943	77,683,349	34,151,087
Europe		24,968,843	31,559,003	29,053,251	30,999,588	33,166,532	14,649,718
Eastern Europe		4,088,801	5,353,967	5,045,508	5,547,340	5,857,221	2,500,230
Europe/World		42.73%	44.22%	41.41%	42.25%	42.69%	42.90%
Eastern Europe /Europe		16.38%	16.96%	17.37%	17.89%	17.66%	17.07%

Values are in thousand USD



The left diagram shows that although the value of fastener business in Eastern Europe has increased annually since 2012, the growth rate has a negative trend in this region since 2013; the speed of falling market share is increased in the current year.

Automotive Fasteners

According to statistics, 19% of fasteners in Eastern Europe were used in automotive industries. Therefore, the real market value of automotive fasteners in Eastern Europe is calculate-able (See the following table).

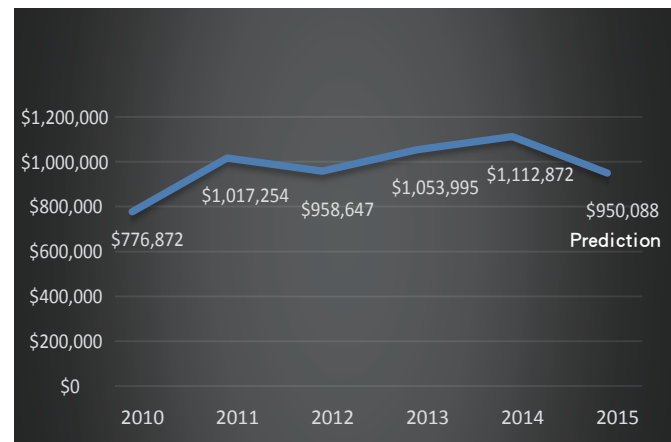
Eastern Europe	Market Value in					
	2010	2011	2012	2013	2014	2015 (Q 1-2)
	776,872	1,017,254	958,647	1,053,995	1,112,872	475,044

Values are in thousand USD

Note: The political meaning of the Eastern Europe and Western Europe has been removed from world's literature since 1990; therefore, when we mention Eastern Europe in this article, Europe is divided according to the geographic locations of countries.

World/Europe/Eastern Europe Fastener Situations

The value of fastener business in Europe is more than 30 billion USD, and it is about 43% of the global value. The market share of Eastern Europe is around 17.5% of the total Europe share, and therefore, the remaining 82.5% belongs to countries in Western Europe.



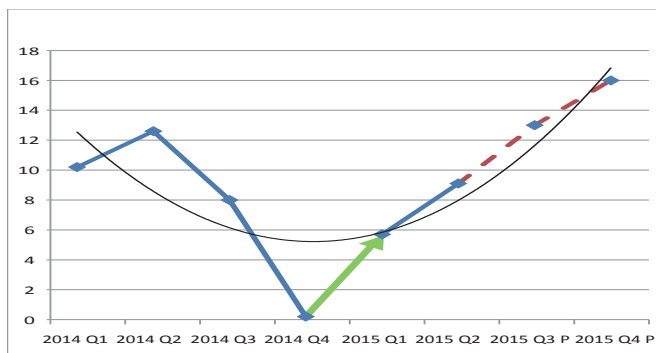
How are the Players in This Market?

Czech Republic

The automobile industry is very important for the Czech Republic and is one of the traditional drivers of the Czech economy, not only because it employs a lot of people, has a long-term tradition and regularly produces more than a million units of vehicles, but also because of its position within Europe. Even despite the relatively small size of the country and economy compared to other member states, the Czech Republic's developed automobile industry is not losing its pace, but is even remaining ahead, according to some indicators. The following table and diagram have shown point-to-point growth in automotive fastener business in each quarter since 2014. The following table and diagram have shown Czech Republic's automotive fastener business in each quarter since 2014 and the prediction for the 3rd and 4th quarter of 2015.

Czech Rep.	Market Value in						
	2013-Q4	2014-Q1	2014-Q2	2014-Q3	2014-Q4	2015-Q1	2015-Q2
	310,123	341,655	349,890	333,880	307,802	324,623	335,519
Growth Rate	-	10.2%	+2.4%	-4.6%	-7.8%	+5.5%	+3.4%

Values are in thousand USD



Based on the statistics of Czech Republic in its economic field and car manufacturing section, this article predicts that the automotive fastener business value will be 350,000,000 USD in the third quarter of 2015 and it will increase to 360,000,000 USD in the fourth quarter of 2015 in Czech Republic market.

Poland

There were 575,117 units of passenger and delivery cars produced in Poland in 2013, which were 9.55% less than the record in 2012, the Samar Institute reported. This decline was the result of discontinued Fiat Panda's production at Tychy Fiat's factory. The industry's

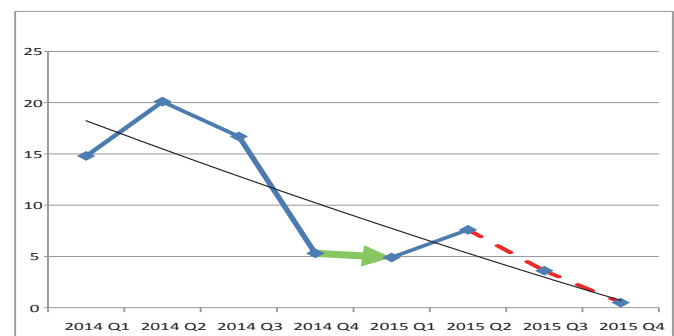


production output has been falling continuously since 2010. On the other hand, the year 2014 was hardly a successful year in terms of the volume of car production in Poland in comparison to the last 5 years; the statistics show 0.6% growth in the volume of car production.

The following table and diagram have shown Poland's automotive fastener business in each quarter since 2014.

Poland	Market Value in						
	2013-Q4	2014-Q1	2014-Q2	2014-Q3	2014-Q4	2015-Q1	2015-Q2
	253,738	291,207	306,509	296,161	262,330	261,252	268,401
Growth Rate	-	+14.8%	+5.3%	-3.4%	-11.4%	-0.4%	+2.7%

Values are in thousand USD



Based on the recovering Polish economy, automotive fastener market recovered in the second quarter of 2015. However, based on the market orientation shown in the diagram, it is expected that in the following quarters the automotive fastener market in Poland will decline.

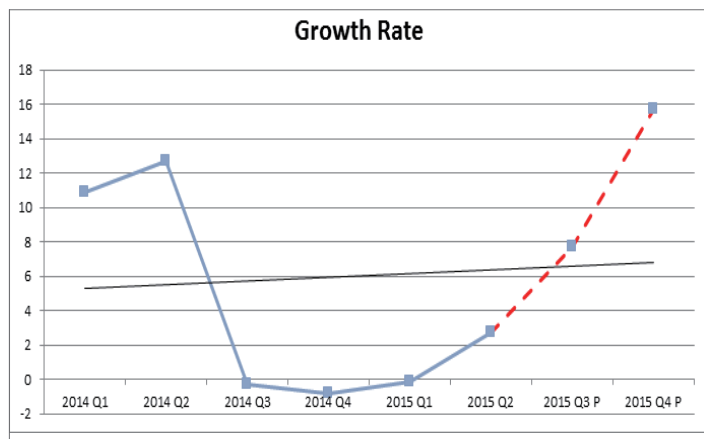
Slovakia

The automotive industry has accounted for 2/5 jobs created in Slovakia in recent years and has underpinned the surge in growth in output and exports. Slovakia's auto-industry makes up the largest single aspect of its economy. 43% of Slovakia's industrial production lies in the automotive sector, building the highest car production per capita in the world. Its unemployment has improved recently, lowering from 13.2% in 2014 to 11.8% in the first half of 2015. When VW acquired a small production plant

from BAZ in Bratislava in 1991, the Slovak automotive industry embarked on its accelerated success story. Slovakia was proud to develop a production base predominantly for high-end SUVs. However, much more impressive is the fact that Slovakia has the highest car production per capita in the world. The following table and diagram have shown Slovak automotive fastener business in each quarter since 2014.

Slovakia	Market Value in						
	2013-Q4	2014-Q1	2014-Q2	2014-Q3	2014-Q4	2015-Q1	2015-Q2
	142,688	158,308	161,157	140,164	139,496	140,440	144,380
Growth Rate		10.9%	1.8%	-13%	-0.5%	0.7%	2.8%

Values are in thousand USD



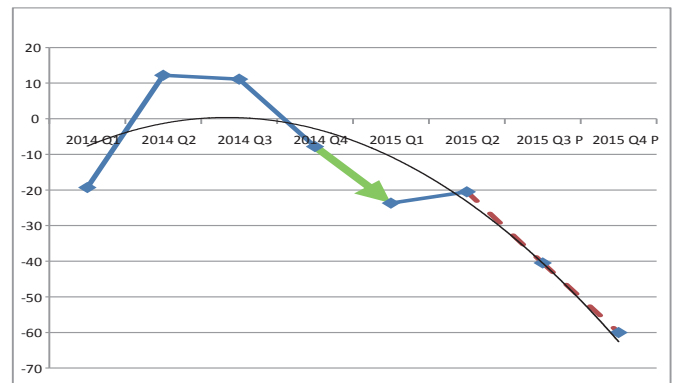
Jaguar Land Rover (JLR) plans to build its next factory in Slovakia as the luxury car maker looks to become a major global force in the auto industry. The production of JLR will be 300,000 units of vehicles until 2018. JLR's decision will help develop the automotive fastener business in Slovakia. Based on the automotive developments in the Slovak market we predict that the automotive fastener business value will increase about 5% in the 3rd quarter and 8% in the 4th quarter of 2015.

Russia

Russia is the largest new car sales market for Eastern Europe and it accounted for 66% of Eastern European new car sales in 2014. Due to its rapid expansion over the past five years, Russia was once predicted to overtake Germany as Europe's largest new car sales market by 2020. However, as the economic downturn and Western sanctions hit the country, such forecasts collapsed after all. Due to the adverse economic conditions, new car sales in Russia plummeted by 15% to 2.5 million units in 2014, the worst result since the 2009 crisis.

Russia	Market Value in						
	2013-Q4	2014-Q1	2014-Q2	2014-Q3	2014-Q4	2015-Q1	2015-Q2
	220,106	177,592	233,521	231,004	187,313	138,812	143,257
Growth Rate		-19.3	31.5	-1.1	-18.9	-25.9	3.2

Values are in thousand USD



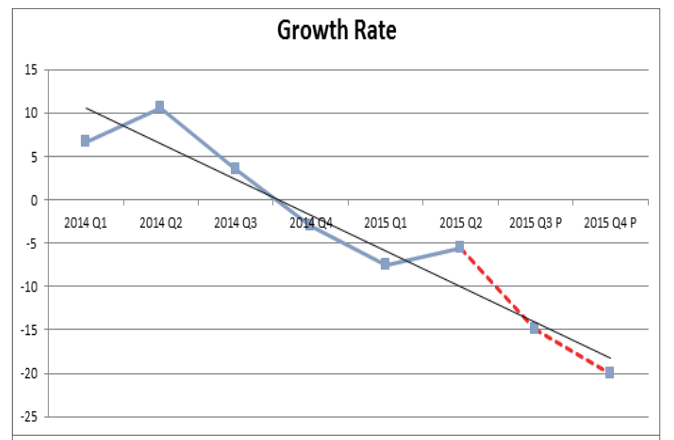
It is difficult to make forecasts given the fast-changing business environment in Russia, although our statistics predict that the Russian new car sales market will decline by 25-35% in volume terms in 2015.

Other Eastern European Players

The statistics for Hungary, Romania, Slovenia and the other Eastern European countries are mentioned in the following table.

Other Eastern European Players	Market Value in						
	2013-Q4	2014-Q1	2014-Q2	2014-Q3	2014-Q4	2015-Q1	2015-Q2
	377,188	402,020	417,739	388,136	363,249	346,677	353,574
Growth Rate		6.6%	3.9%	-7.1%	-6.4%	-4.6%	2.0%

Values are in thousand USD



The statistics show that the automotive fastener market will drop sharply in 2015 in the rest of Eastern European countries.

Last Word

Although the automotive fastener market has dropped in 2015, Eastern Europe will continue to play a key role in being an attractive location for manufacturing and R&D; therefore, we hope that this market could find the main position in the near future. ■