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4 Biggest Fastener Exporters After Germany

Italy, France, Switzerland, United Kingdom, these four countries are the 6th to 9th biggest fastener exporters in the world. The following table shows the total amount of the exported fasteners through these countries.

Exporters	Export value in 2011	Export value in 2012	Export value in 2013	Export value in 2014	Export value in 2015
World	33,941,337	33,273,827	34,826,231	37,159,160	33,644,217
Italy	1,907,306	1,730,362	1,803,045	1,918,255	1,660,140
France	1,402,924	1,302,848	1,451,917	1,470,021	1,277,261
Switzerland	1,049,892	890,119	928,362	961,737	873,924
United Kingdom	748,888	757,948	796,626	891,927	805,612

What are the Market Shares of Exported Fasteners of These Countries?

Italy has 4.9% of the whole exported fastener market share in the world.

France has 3.8% of the whole exported fastener market share in the world.

Switzerland has 2.5% of the whole exported fastener market share in the world.

United Kingdom has 2.4% of the whole exported fastener market share in the world.

Based on the export values, Italy and France are competing with each other and Switzerland and United Kingdom are competing with each other.

Italy-France

Introduction[1]

Italy has a diversified industrial economy, which is divided into a developed industrial north, dominated by private companies, and a less-developed, highly subsidized, agricultural south, where unemployment is higher. The Italian economy is driven in large part by the manufacture of high-quality consumer goods produced by small and medium-sized enterprises, many of which family-owned. Italy also has a sizable underground economy, which by some estimates accounts for as much as 17% of GDP. These activities are most common within the agriculture, construction, and service sectors. Italy is the third-largest economy in the euro-zone, but its exceptionally high public debt and structural impediments to growth have rendered it vulnerable to scrutiny by financial markets. Public debt has increased steadily since 2007, topping 133% of GDP in 2013, but investor concerns about Italy and the broader euro-zone crisis eased in 2013, bringing down Italy's borrowing costs on sovereign government debt from euro-era records. The government still faces pressure from investors and European partners to sustain its efforts to address Italy's long-standing structural impediments to growth, such as labor market inefficiencies and widespread tax evasion. In 2013 economic growth and labor market conditions deteriorated, with growth at -1.8% and unemployment rising to 12.4%, with youth unemployment around 40%. Italy's GDP is now 8% below its 2007 pre-crisis level.

The French economy is diversified across all sectors. The government has partially or fully privatized many large companies, including Air France, France Telecom, Renault, and Thales. However, the government maintains a strong presence in some sectors, particularly power, public transport, and defense industries. With at least 82 million foreign tourists per year, France is the most visited country in the world and maintains the third largest income in the world from tourism. France's leaders remain committed to a capitalism in which they maintain social equity by means of laws, tax policies, and social

[1] http://www.indexmundi.com/factbook/compare/italy.france/economy

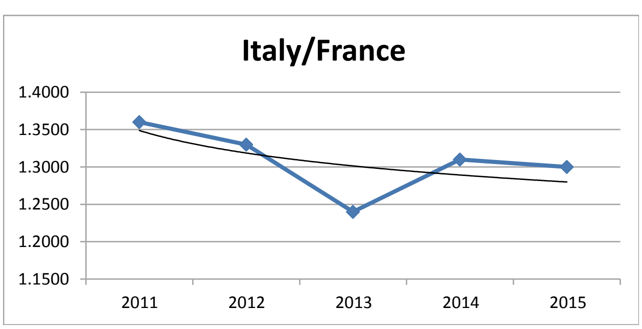
spending that mitigate economic inequality. France's real GDP stagnated in 2012 and 2013. The unemployment rate (including overseas territories) increased from 7.8% in 2008 to 10.2% in 2013. Youth unemployment in metropolitan France decreased from a high of 25.4% in the fourth quarter of 2012 to 22.8% in the fourth quarter of 2013. Lower-than-expected growth and high spending have strained France's public finances. The budget deficit rose sharply from 3.3% of GDP in 2008 to 7.5% of GDP in 2009 before improving to 4.1% of GDP in 2013, while France's public debt rose from 68% of GDP to nearly 94% over the same period. In accordance with its EU obligations, France was targeting a deficit of 3.6% of GDP in 2014 and 2.8% in 2015. The administration of President Francois HOLLANDE has implemented greater state support for employment, the separation of banks' traditional deposit taking and lending activities from more speculative businesses, increasing the top corporate and personal tax rates, including a temporary 75% tax on wages over one million euros, and hiring an additional 60,000 teachers during his five-year term. In January 2014 HOLLANDE proposed a "Responsibility Pact" aimed primarily at lowering labor costs in return for businesses' commitment to create jobs. Despite stagnant growth and fiscal challenges, France's borrowing costs have declined in recent years because investors remain attracted to the liquidity of France's bonds.

Fastener Market (France VS. Italy)

In the industrial sector Italy is more industrialized than France. Based on indexmundi.com statistics (including car production), 24.4% of Italy's GDP comes from the industrial sector; on the other hand, industrial activities have 18.4% of France's GDP.

First Parameter (Export Value)

The following table proves the above claim. Italian fastener suppliers export is approximately 30% higher than French fastener suppliers export.



Value of Exporter	2011	2012	2013	2014	2015
Italy / France	1.36	1.33	1.24	1.31	1.30

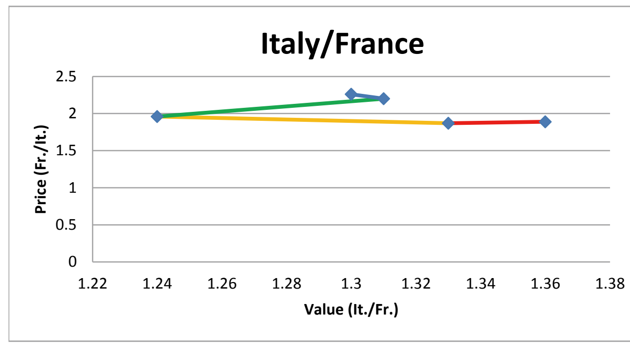
On the other hand, French fastener suppliers have tried to decrease their gap with Italian suppliers step by step (see the above graph).

Second Parameter (Price):

In terms of exported fastener prices, France's exported fastener price is 2 times higher than Italian exported fastener price. See the following table.

Value of Exporter	2011	2012	2013	2014	2015
Italy (USD/Tons)	4,846	4,550	4,603	4,679	3,966
France (USD/Tons)	9,182	8,508	9,035	10,290	8,955
France's Price/ Italy's Price	1.89	1.87	1.96	2.20	2.26

First and second parameter in a picture:



The above graph shows that for three years from 2011 to 2013 (Red and Gold lines), Italian suppliers have been losing their export market in comparison to France.

The interesting point is that Italian suppliers did not do any action; on the other hand, French suppliers had increased their prices in 2014 and it was predictable that they lost a part of their export market (Green Line).

At least in 2015, Italy suppliers decreased their prices but it seems the consumers did not pay attention to it because French suppliers did the same and they could increase their market share again (Blue line).

Switzerland and UK

Introduction[2]

Switzerland is a peaceful, prosperous, and modern market economy with low unemployment, a highly skilled labor force, and one of the highest GPP per capita in the world. Switzerland's economy benefits from a highly developed service sector, led by financial services, and a manufacturing industry that specializes in high-technology, knowledge-based production. Its economic and political stability, transparent legal system, exceptional infrastructure, efficient capital markets, and low corporate tax rates also make Switzerland one of the world's most competitive economies.

The UK, a leading trading power and financial center, is the third largest economy in Europe after Germany and France. Over the past two decades, the government has greatly reduced public ownership. Agriculture is intensive, highly mechanized, and efficient by European standards,

[2] http://www.indexmundi.com/factbook/compare/switzerland.united-kingdom/economy

producing about 60% of food needs with less than 2% of the labor force. The UK has large coal, natural gas, and oil resources, but its oil and natural gas reserves are declining and the UK became a net importer of energy in 2005. Services, particularly banking, insurance, and business services, are key drivers of British GDP growth. Manufacturing, meanwhile, has declined in importance but still accounts for about 10% of economic output. After emerging from recession in 1992, Britain's economy enjoyed the longest period of expansion on record during which time growth outpaced most of Western Europe.

The Swiss have brought their economic practices largely into conformity with the EU's to enhance their international competitiveness, but some trade protectionism remains, particularly for its small agricultural sector. The fate of the Swiss economy is tightly linked to that of its neighbors in the euro zone, which purchases half of all Swiss exports. The global financial crisis of 2008 and resulting economic downturn in 2009 stalled export demand and put Switzerland in a recession. The Swiss National Bank (SNB) during this period effectively implemented a zero-interest rate policy to boost the economy as well as prevent appreciation of the franc, and Switzerland's economy began to recover in 2010. The sovereign debt crises currently unfolding in neighboring euro-zone countries pose a significant risk to Switzerland's financial stability and are driving up demand for the Swiss franc by investors seeking a safe-haven currency. The independent SNB has upheld its zero-interest rate policy and conducted major market interventions to prevent further appreciation of the Swiss franc, but parliamentarians have urged it to do more to weaken the currency. The franc's strength has made Swiss exports less competitive and weakened the country's growth outlook; GDP growth fell below 2% per year during 2011-13. Switzerland has also come under increasing pressure from individual neighboring countries, the EU, the US, and international institutions to reform its banking secrecy laws. Consequently, the government agreed to conform to OECD regulations on administrative assistance in tax matters, including tax evasion. The government has renegotiated its double taxation agreements with numerous countries, including the US, to incorporate the OECD standard, and is considering the possibility of imposing taxes on bank deposits held by foreigners. These steps will have a lasting impact on Switzerland's long history of bank secrecy.

In 2008, however, the global financial crisis hit the economy particularly hard, due to the importance of its financial sector. Falling home prices, high consumer debt, and the global economic slowdown compounded Britain's economic problems, pushing the economy into recession in the latter half of 2008 and prompting the then BROWN (Labour) government to implement a number of measures to stimulate the economy and stabilize the financial markets; these included nationalizing parts of the banking system, temporarily cutting taxes, suspending public sector borrowing rules, and moving forward public spending on capital projects. Facing burgeoning public deficits and debt levels, in 2010 the CAMERON-led coalition government (between Conservatives and Liberal Democrats) initiated a five-year austerity program, which aimed to lower London's budget deficit from about 11% of GDP in 2010 to nearly 1% by 2015. In November 2011, Chancellor of the Exchequer George OSBORNE announced additional austerity measures through 2017 largely due to the euro-zone debt crisis. The CAMERON government raised the value added tax from 17.5% to 20% in 2011. It has pledged to reduce the corporation tax rate to 21% by 2014. The Bank of England (BoE) implemented an asset purchase program of £375 billion (approximately $605 billion) as of December 2013. During times of economic crisis, the BoE coordinates interest rate moves with the European Central Bank, but Britain remains outside the European Economic and Monetary Union (EMU). In 2012, weak consumer spending and subdued business investment weighed on the economy, however, in 2013 GDP grew 1.4%, accelerating unexpectedly in the second half of the year because of greater consumer spending and a recovering housing market. The budget deficit is falling but remains high at nearly 7% and public debt has continued to increase.

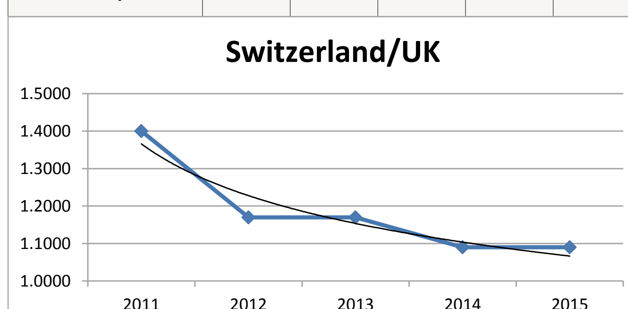
Fastener Market (Switzerland VS. United Kingdom)

In the industrial sector Switzerland is more industrialized than UK, Based on indexmundi.com statistics (including car production), 26.8% of Switzerland GDP comes from the industry sector; on the other hand industrial activities have 20.5% of UK's GDP.

First Parameter (Export Value):

The following table, proves the above claim, Switzerland fastener suppliers export is a little bit more than the UK fastener suppliers.

Value of Exporter	2011	2012	2013	2014	2015
Swiss /UK	1.40	1.17	1.17	1.08	1.09



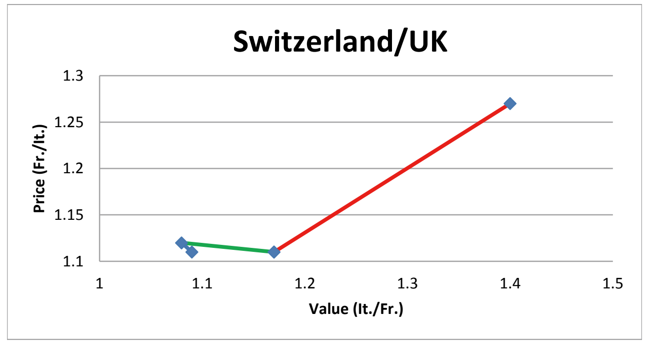
But UK fastener suppliers have tried to decrease their gap with Swiss suppliers step by step (see the above graph).

Second Parameter (Price):

In terms of export fastener prices, Swiss export fastener price is a little higher than UK's exported fastener price. See the following table.

Value of Exporter	2011	2012	2013	2014	2015
UK (USD/Ton)	12,525	12,939	12,960	13,757	12,800
Switzerland (USD/Ton)	15,898	14,373	14,293	15,360	14,201
Swiss Price/ UK Price	1.27	1.11	1.11	1.12	1.11

First and second parameter in a picture:



The interesting point of the above data is, when Switzerland decreased the average price of their fasteners, they lost the market! It means buyers want to purchase the expensive fasteners (high tech or special fasteners) through Switzerland (Red line). When the Swiss suppliers increased their prices again, the market did not have positive reaction to their action. The main reason is UK suppliers also produce expensive fasteners.

Key Point: When companies lose their customers for any reason and they do not have any specified advantage point in comparison to their competitors, then it is very difficult to have the lost customers back.

Last Word:

Al Ries says: In marketing circles today, there's an emphasis on "differentiation." Marketing people often compare their brands to the competition in order to find a point of difference. In the marketing community, there is a struggle between two schools of thoughts. One school is focused on products. The other school is focused on brands. The product folks believe the ultimate winner in every marketing battle is the better product. If this is so, the role of a company's marketing program is to communicate the features and benefits that make a company's product clearly superior to its competitors.

Switzerland had this experience. No differentiation, no gain.

"POSITIONING HAS ALWAYS BEEN ABOUT DIFFERENTIATION"