

As we remember, European manufacturers are jealous of their German rivals in various fields from automotive engines to aircraft bodies. Over the last decade, Germany has taken on its natural leadership role in the EU's economic and monetary affairs.

Among the largest EU countries, Germany stands out, as its manufacturing sector has regularly registered the significant contribution to the EU's added value sometimes by more than 25%. For instance, in 2013, in terms of added value, Germany was the largest EU country in 20 of the 24 manufacturing sub-sectors. In the same year, equally remarkable was the German specialisation rate for the manufacture of machinery and equipment which contributed 5.6% of non-financial business economy value added, compared with the EU's average at 3.6%. All these figures prove the important and vital role of Germany in the European industrial market. The automotive industry as the largest industry sector in Germany and one of the biggest target markets for fasteners, recorded a turnover of EUR 361 billion in 2013, and EUR 404 billion in 2015, around 20 percent of total German industrial revenue.

Germany is the number one producer in virtually every industry in Europe. It is well-known for its output of machinery, cars and electronics. The largest market segment for fasteners is the automotive industry, followed at some distance by a range of other industries: household equipment, electronic equipment,

furniture, machine building, steel construction and general construction (house and office building).

Germany is the world's premium car production hub thanks to its world-class R&D, labour force, infrastructure, and automotive manufacturing heritage. The automotive industry is one of the largest employers in Germany, with a workforce of around 756,000 in 2013. Most German vehicles are exported to other European countries, with neighbour states accounting for almost 60 percent of total export levels. No other country in Europe can boast a similar concentration of auto-related R&D, design, supply, manufacturing, and assembly facilities. As a result, no other country in Europe provides the equal market opportunities as those offered by the German auto industry.

The second largest and most innovative industry sector in Germany is Machinery and Equipment which is dominated by small and medium-sized companies. This country is home to Europe's best-performing M&E sector, with a record turnover in the region of EUR 230 billion in 2015. Manufacturers in this industry produce customized products and small series to meet the strong demand of both domestic and international manufacturing industries. The Machinery and Equipment industry is one of the technological motors that drives Germany as a high-

The **Important Role** of **Germany** in the **European Fastener Market**

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tech nation, and a sector that combines all of the key future technologies including electronics, robotics, materials, and software.

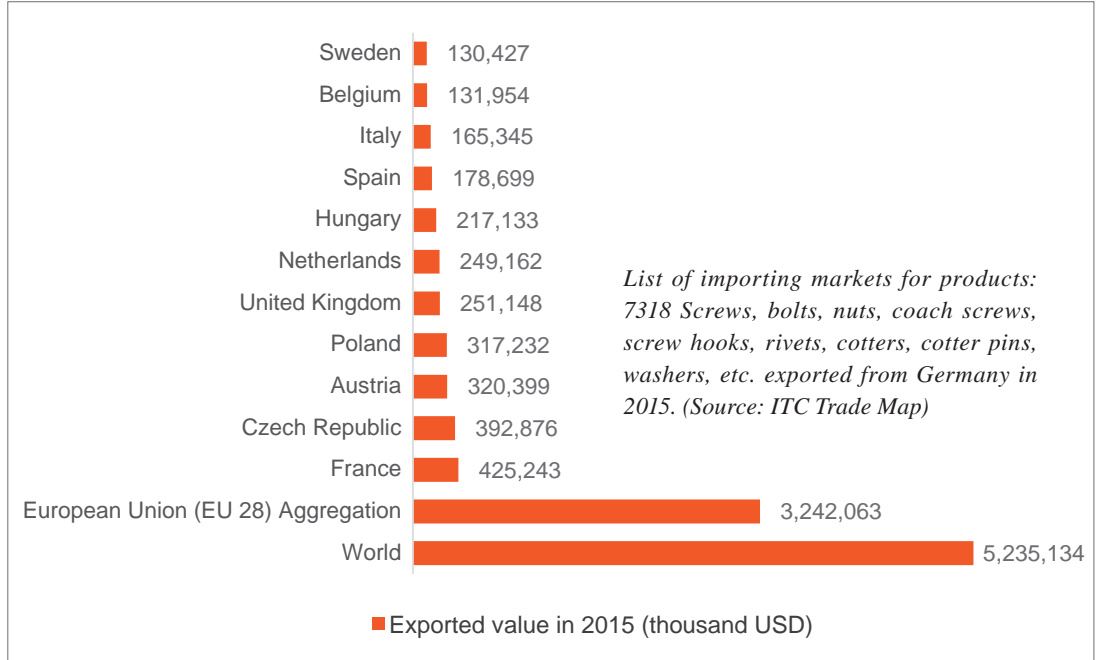
Europe is among the largest manufacturing regions in the world and therefore it is also one of the largest markets for fasteners in the world. In regard to the fastener import, Germany, followed by France, the United Kingdom, the Netherlands, Italy, the Czech Republic and Austria is the leading importer. Germany is the leader in imports from developing countries, followed by Italy, the United Kingdom, the Netherlands and France. Definitely these countries offer good opportunities for exporters in developing countries.

European imports of fasteners in 2014 reached €1.5 billion with the average annual growth of 7% between 2010 and 2014. Most imports originate from intra-European sources (63% of all imports) and Germany is the leading exporter in this region. Italy and France are the other leaders in the EU region with the significant distance from the Germans. "Made in Germany" fasteners accounted for 41% of total fastener exports in Europe in 2014. In the same year, Italy, the second largest fastener exporter in the Europe registered only 13% of total fastener exports in the region, followed by France (10%), the United Kingdom (6%), the Netherlands (5%), and Austria with only 3%. All these figures clearly describe the leading position of German fastener brands. Apart from the European market, it is notable that German exports to developing countries are massive as well. This is not surprising in light of its domination of the manufacturing industries and fastener industry in Europe. German exports represent 54% of

all European exports to developing countries and it is expected to grow in the next few years.

Germany's exports represent 15.6% of world exports for this product and number one in world exports ranking, followed by China and Taiwan.

In addition to what have been mentioned previously the following elements are some other major determinants that make Germany an unbeatable leader in the European fastener market.

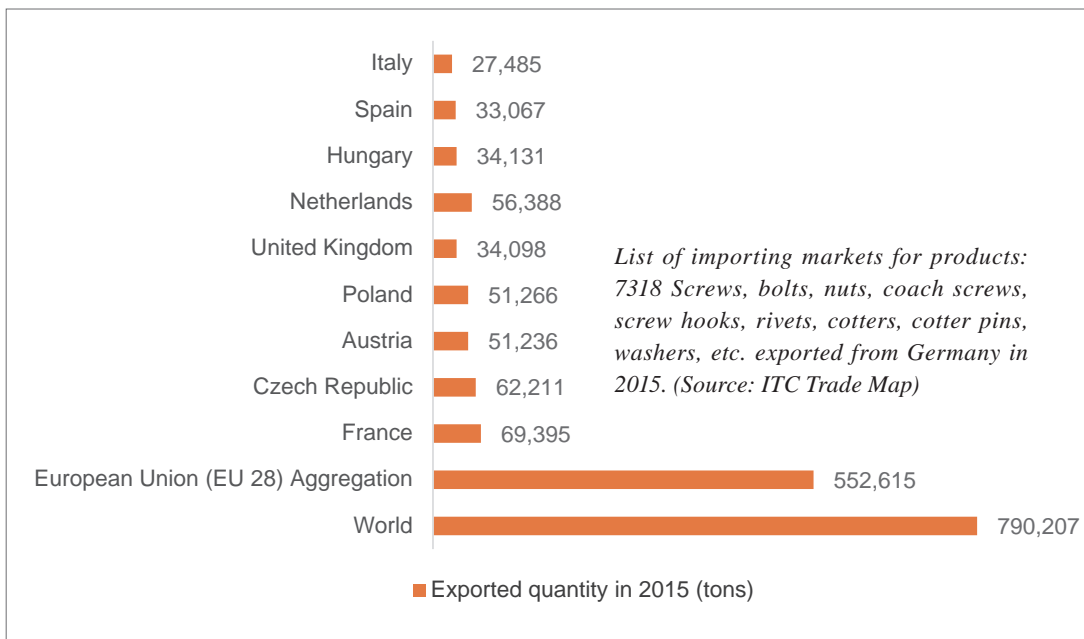


The main factor of fasteners demand is end-user industries expenditures, such as automotive or ship building, but also the spending activity among consumers. In turn, this demand is stimulated by economic growth. UK and Germany have the highest GDP among the European countries.

Another key trend evolving in the European industrial fastener market is the development of industry-specific fasteners; such as those temperature-resistant fasteners for the aerospace and defence sector or lightweight fasteners which are visibly growing in popularity in Europe. German manufacturers are the leaders of industry-specific and specialized fasteners in the European market.

Many of well-known customers and major professional consumers nowadays not only evaluate products on aspects like price, quality and standards, but also on their environmental aspects. European manufacturers in general and the Germans in specific, in the case of fasteners, pay special attention to the environmental characteristics and features such as anti-corrosive surface treatment with chemicals.

Germany's high-tech strategies, R&D incentives and budgets, increasing supplier's knowledge, and definitely worldwide reputation of Germany are other key factors that significantly influence its role in the European fastener market.



Sources:
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 CBI Product Factsheet: Fasteners in Europe
 Industry Overview, the Automotive Industry in Germany ■