



“Made in USA” Policy and Its Effects on Fastener Business in Thailand, Vietnam and Indonesia

Note: All values in 1,000 USD

by Behrooz Lotfian

Some of the new U.S. policies may affect the ASEAN region directly and may affect the fastener business in this region, too.

1- Muslims travel ban is the first item because Indonesia and Malaysia are two Islamic countries in the ASEAN, and this rule may be implemented for these two countries, too.

2- The Made-in-USA policy notes that the Americans prefer buying a product that is more expensive if it is made in their country. This policy will affect the world and the ASEAN region seriously as well.

Therefore, in this article I tried to study the business between ASEAN countries and USA in the fastener field.



Thailand is the biggest fastener exporter to USA in the ASEAN region. 10 to 16 percent of fasteners produced in Thailand have been exported to the USA. On the other hand, 1.0 to 1.7 percent of U.S. fastener consumption supply was from Thailand. The business is more serious for Thai producers than U.S. buyers, because the Americans can replace this 1.5% easily with products from other countries or domestic production.

U.S. Import from Thailand					Thailand's Export to the World				
2011	2012	2013	2014	2015	2011	2012	2013	2014	2015
76,932	71,199	76,692	51,118	55,351	491,309	451,524	469,998	501,551	447,467
U.S. Market Size for Thailand					15.7%	15.8%	16.3%	10.2%	12.4%
					U.S. Import from the World				
					2011	2012	2013	2014	2015
					4,413,559	4,887,855	4,778,235	5,151,972	5,291,483
Thailand's Market Share in U.S. Market					1.7%	1.5%	1.6%	1.0%	1.0%

In 2014, Thailand's exported fasteners to U.S. market decreased. The reason for dropping was the local protest against the Thai government began in November 2013. The political uncertainties whose impact on Thailand trades were finished in 2014 and again the exported fastener statistics grew in 2015.

The statistics from Q4-2014 through Q3-2016 show that 2016 was not a good year for Thailand's fastener exporters. The size of U.S. market became small in this period of time for Thailand's exporters.

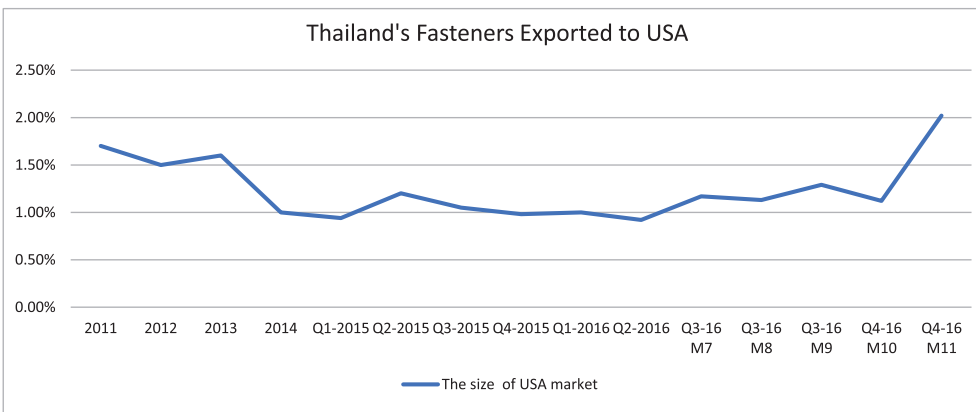
	U.S. Import from Thailand							
	2014	2015			2016			
	Q4-2014	Q1-2015	Q2-2015	Q3-2015	Q4-2015	Q1-2016	Q2-2016	Q3-2016
	15,183	13,167	17,446	13,607	11,131	11,794	11,194	14,546
U.S. Market Size for Thailand	Thailand's Export to the World							
	127,857	123,351	107,016	111,644	105,455	107,587	115,244	124,317
	11.87%	10.67%	16.30%	12.19%	10.56%	10.96%	9.71%	11.70%
Thailand's Market Share in U.S. Market	U.S. Import from the World							
	1,282,120	1,393,592	1,458,951	1,301,037	1,137,902	1,174,786	1,222,696	1,217,296
	1.18%	0.94%	1.20%	1.05%	0.98%	1.00%	0.92%	1.19%

In November 2016 Something Happened!

Thailand’s fasteners exported to the USA grew 100%! This can be an alarm for fastener producers in Thailand, this unusual increase can be translated as follows:

U.S. fastener importers were getting more serious about President Trump’s “Make American manufacturing a top priority” statement. In simpler terms, U.S. importers bought more fasteners from Thailand to have stock for a while and then they stay to see what will happen in the future.

	U.S. Import from Thailand					
	Q2-2016	Q3-2016			Q4-2016	
	M6	M7	M8	M9	M10	M11
	3,950	4,580	4,908	5,058	4,292	8,097
U.S. Market Size for Thailand	Thailand’s Export to the World					
	40,894	38,096	42,335	43,885	42,206	39,755
	9.66%	12.02%	11.59%	11.53%	10.17%	20.37%
Thailand’s Market Share in U.S. Market	U.S. Import from the World					
	403,137	391,636	433,863	391,796	382,154	399,883
	0.98%	1.17%	1.13%	1.29%	1.12%	2.02%



The Future of Fastener Business Between Thailand and USA

The statistics of U.S. fasteners exported to Thailand show that Thailand is not a big market for US fastener exporters, as only 0.4% of U.S. fasteners were shipped to Thailand and fasteners Thai consumers bought from USA only represented 1.4-1.8% of their total need.

U.S. Export to Thailand			Thailand’s Import from the World			U.S. Export to the World		
2013	2014	2015	2013	2014	2015	2013	2014	2015
14,695	14,265	16,325	1,076,876	950,041	911,563	3,612,097	3,842,364	3,829,746
Thailand’s Market Share			1.36%	1.50%	1.79%	0.41%	0.37%	0.43%

So the “Make American manufacturing a top priority” policy will put Thailand’s fastener manufacturers in a big trouble.



Vietnam is the 2nd biggest fastener exporter to USA in the ASEAN region. 6 to 8 percent of exported fasteners in Vietnam were shipped to USA. On the other hand, 0.4 to 0.5 percent of U.S. fastener consumption supply was from Vietnam. Vietnam is not a main player in U.S. fastener market. Statistics show that the size of U.S. market was getting smaller for Vietnamese suppliers in 2015.

U.S. Import from Vietnam			Vietnam’s Export to the World		
2013	2014	2015	2013	2014	2015
21,008	27,083	20,367	274,793	343,532	352,289
U.S. Market Size for Vietnam			7.6%	7.9%	5.8%
			U.S. Import from the World		
			2013	2014	2015
			4,778,235	5,151,972	5,291,483
Vietnam’s Market Share in U.S. Market			0.44%	0.53%	0.38%

The statistics from Q4-2014 through Q3-2016 show that records in 2016 were similar to those in 2015 for Vietnamese fastener exporters (i.e. no big change).

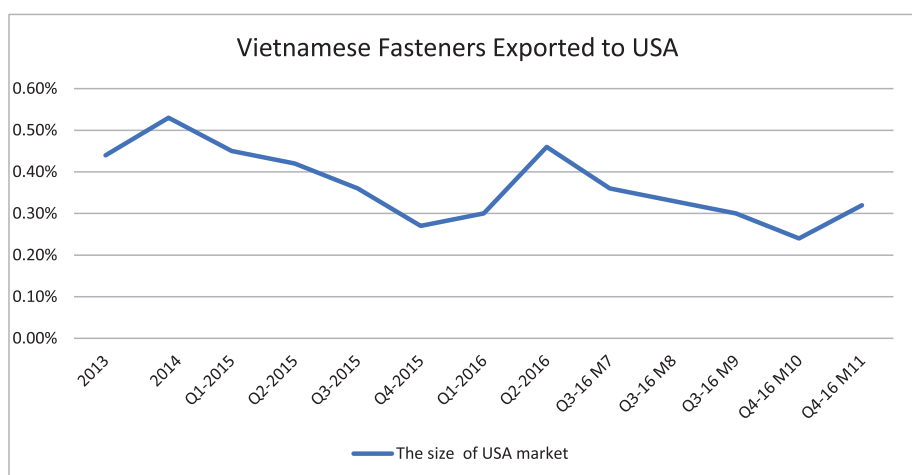
	U.S. Import from Vietnam							
	2014-Q4	2015-Q1	2015-Q2	2015-Q3	2015-Q4	2016-Q1	2016-Q2	2016-Q3
	7,412	6,337	6,175	4,730	3,124	3,467	5,631	4,012
U.S. Market Size for Vietnam	U.S. Import from the World							
	1,282,120	1,393,592	1,458,951	1,301,037	1,137,902	1,174,786	1,222,696	1,217,296
	0.58%	0.45%	0.42%	0.36%	0.27%	0.30%	0.46%	0.33%

More detailed statistics confirm that the capacity of Vietnam’s fastener export to the U.S. was 0.3-0.4% of the whole U.S. fastener import.

	U.S. Import from Vietnam					
	16-Q2-M6	16-Q3-M7	16-Q3-M8	16-Q3-M9	16-Q4-M10	16-Q4-M11
	1,763	1,401	1,424	1,188	913	1,263
Vietnam’s Market Share in U.S. Market	U.S. Import from the World					
	403,137	391,636	433,863	391,796	382,154	399,883
	0.44%	0.36%	0.33%	0.30%	0.24%	0.32%

The Future of Fastener Business Between Vietnam and USA

Statistics of the exported fasteners from USA to Vietnam show that Vietnam is not a big market for U.S. fastener exporters, as only 0.1% of U.S. fasteners were exported to Vietnam and fasteners Vietnamese consumers bought from USA only represented 1.0-1.5% of their total need.



U.S. Export to Vietnam			Vietnam’s Import from the World			U.S. Export to the World		
2013	2014	2015	2013	2014	2015	2013	2014	2015
2,779	4,127	6,611	330,576	372,262	468,390	3,612,097	3,842,364	3,829,746
Vietnam’s Market Share			0.8%	1.1%	1.4%	0.08%	0.11%	0.17%

The “Make American manufacturing a top priority” policy will put Vietnamese fastener manufacturers in trouble, although the fastener business between both countries is not huge.



Indonesia is not a famous country in the fastener field. It is ranked the 6th biggest country in the ASEAN region that exports fasteners to USA, but its fastener export to the world is just about 80 million USD. 3 to 4 percent of its fasteners were exported to the U.S. and fasteners exported from Indonesia to the U.S. only represented 0.05% of U.S. total fastener consumption.

U.S. Import from Indonesia			Indonesia’s Export to the World		
2013	2014	2015	2013	2014	2015
2,526	2,504	3,221	78,869	87,739	77,276
U.S. Market Size for Indonesia			3.2%	2.9%	4.2%
			U.S. Import from the World		
			2013	2014	2015
			4,778,235	5,151,972	5,291,483
Indonesia’s Market Share in U.S. market			0.05%	0.05%	0.06%

The statistics from 2015 through 2016 show that 2015 was the best year for Indonesian fastener producers, as they could enlarge their numbers almost two times the records of the previous year.

	U.S. Import from Indonesia							
	2014-Q4	2015-Q1	2015-Q2	2015-Q3	2015-Q4	2016-Q1	2016-Q2	2016-Q3
	599	594	1,004	861	763	638	529	464
U.S. Market Size for Indonesia	Indonesia's Export to the World							
	22,344	20,401	17,519	19,640	19,716	19,813	20,946	
	2.7%	2.9%	5.7%	4.4%	3.9%	3.2%	2.5%	
Indonesia's Market Share in U.S. Market	U.S. Import from the World							
	1,282,120	1,393,592	1,458,951	1,301,037	1,137,902	1,174,786	1,222,696	1,217,296
	0.05%	0.04%	0.07%	0.07%	0.07%	0.05%	0.04%	0.04%

An analysis of the monthly statistics helps us get a clearer picture of the fastener business situation between these two countries.

	U.S. Import from Indonesia					
	16-Q2-M6	16-Q3-M7	16-Q3-M8	16-Q3-M9	16-Q4-M10	16-Q4-M11
	138	106	159	199	270	208
Indonesia's Market Share in U.S. Market	U.S. Import from the World					
	403,137	391,636	433,863	391,796	382,154	399,883
	0.03%	0.03%	0.04%	0.05%	0.07%	0.05%



The Future of Fastener Business between Indonesia and USA

In the case of fasteners USA exported, the statistics to Indonesia show a negative trend and the new policy in the U.S. may cause much more effects on these numbers.

U.S. Export to Indonesia			Indonesia's Import from the World			U.S. Export to the World		
2013	2014	2015	2013	2014	2015	2013	2014	2015
5,410	3,568	3,486	670,639	677,424	546,907	3,612,097	3,842,364	3,829,746
Indonesia's Market Share			0.8%	0.5%	0.6%	0.15%	0.09%	0.09%

Indonesia, home to the world's largest followers of Islam, is not among the top 7 biggest fastener exporters, but Indonesian Foreign Minister Retno Marsudi told Reuters that her government held "deep regrets about the policy" and the next country whose people have problems to enter USA may be Indonesia, which may also affect the business relationship between the two countries. The main point in the relationship between USA and Indonesia in the case of fasteners is the size of their business. It is so small, and therefore, the effect will not be essential in the fastener field. ■