

US Fastener Trade in the 4th Quarter of 2016

by Cori Rogers

Has the confirmed Trump presidency driven US fastener imports and exports?

Global manufacturers like BMW, Ford, Toyota, and major cellular device companies said they would consider reinforcing their investment in the United States in response to Trump's firm campaign statements on manufacturing job preservation and recreation in the United States. With his confirmed inauguration, has a changing US political cabinet created fluctuations in the US fastener trade in the final quarter of 2016?

Iron and steel fasteners play a key part in virtually every manufacturers' product line and variables in their trade into, and out of, the United States can hint at potential shifts in supply chain.

Import Variations by Country Trade Partner

All of the top three countries of export (Taiwan, China and Japan) supplying fasteners to the United States increased in Q4 of 2016 vs. Q4 of 2015, yet only one of the top three increased from the previous quarter, Q3 of 2016, and that is Japan.

Japan, the third-largest fastener supplier to the United States, increased its exports by 10 percent from Q4 of 2015 to Q4 of 2016, and 7 percent from Q3 of 2016. Japan's exports totaled \$155.7 million in CIF (cost insurance freight) value in Q4 of 2016. US imports of fasteners from Japan grew consistently in each quarter of 2016. Will they continue in 2017?

Taiwan is the largest fastener supplier for the United States. It increased its fastener exports from Q4 of 2015 by 6 percent, though dropped from Q3 to Q4 of 2016 by 2 percent. China had a similar story with a larger 11 percent increase from Q4 of 2015 but a drop from Q3 to Q4 by 5 percent.

The fourth-largest supplier of fasteners to the United States is Germany, making up for 5.4 percent of the market share in Q4 of 2016. Though this was a drop from about 6.8 percent of the market share back in Q1 of 2015. German exports of fasteners to the United States declined by 20 percent from Q4 of 2015 to Q4 of 2016 and another 15 percent from Q3-Q4 of 2016. With a 2-year decline in exports, the German fasteners headed to the United States are not likely to grow in 2017.

US Imports of Fastener Products by Country

Country of Origin	2016								2015								% Change Q4 2015	% Change 3rd Q 2016
	Q1		Q2		Q3		Q4		Q1		Q2		Q3		Q4			
	General CIF Value US\$	%	General CIF Value US\$	%	General CIF Value US\$	%	General CIF Value US\$	%	General CIF Value US\$	%	General CIF Value US\$	%	General CIF Value US\$	%	General CIF Value US\$	%		
TAIWAN	361,401,589	30.76	387,958,620	31.73	385,870,910	31.70	378,098,239	32.14	450,030,673	32.29	472,824,081	32.41	427,474,541	32.86	357,820,537	31.45	6%	-2%
CHINA	247,406,121	21.06	283,916,209	23.22	286,883,174	23.57	273,132,900	23.22	323,794,263	23.23	363,444,705	24.91	302,521,661	23.25	246,871,979	21.70	11%	-5%
JAPAN	157,104,842	13.37	157,790,807	12.91	160,135,842	13.16	170,991,978	14.54	166,248,714	11.93	177,837,711	12.19	151,985,550	11.68	155,657,052	13.68	10%	7%
GERMANY	92,550,699	7.88	75,511,608	6.18	73,909,321	6.07	63,048,851	5.36	94,808,648	6.80	95,489,312	6.55	89,697,389	6.89	78,617,791	6.91	-20%	-15%
CANADA	70,469,409	6.00	71,619,206	5.86	64,409,770	5.29	56,728,541	4.82	77,466,118	5.56	87,567,709	6.00	72,605,850	5.58	67,922,063	5.97	-16%	-12%
SOUTH KOREA	55,128,667	4.69	55,815,641	4.56	56,860,144	4.67	52,830,439	4.49	80,853,450	5.80	61,042,343	4.18	56,381,890	4.33	50,556,124	4.44	4%	-7%
MEXICO	25,980,424	2.21	27,470,627	2.25	28,458,679	2.34	23,417,021	1.99	24,120,940	1.73	22,963,929	1.57	26,279,474	2.02	25,987,247	2.28	-10%	-18%
INDIA	25,307,987	2.15	23,792,153	1.95	24,721,334	2.03	20,704,322	1.76	28,372,739	2.04	29,446,804	2.02	27,551,868	2.12	26,552,431	2.33	-22%	-16%
ITALY	24,113,214	2.05	27,686,326	2.26	25,700,430	2.11	26,111,113	2.22	33,450,541	2.40	30,658,316	2.10	26,823,434	2.06	25,258,513	2.22	3%	2%
FRANCE	19,999,205	1.70	20,000,042	1.64	21,045,209	1.73	22,167,667	1.88	17,425,772	1.25	17,591,542	1.21	19,627,891	1.51	18,892,177	1.66	17%	5%

Export Variations by Country Trade Partner

Total US exports of fasteners grew 8.4 percent from Q4 of 2015 to Q4 of 2016, but dropped 1.1 percent from Q3 of 2016. US exports of fasteners to the top two countries of destination, Mexico and Canada declined in Q4 of 2016 from Q3 and also from Q4 of 2015. US exports to Mexico declined by 6.9 percent from Q3 of 2016 and 4 percent from Q4 of 2015. US exports to Canada declined 0.1% from Q4 of 2015 and 2.1 percent from Q3 of 2016.

In 2016, Brazil became the third-largest importer of US fasteners. From Q4 of 2015 US exports to Brazil increased over 202 percent to Q4 of 2016.

Another notable export increase was to the United Kingdom which rose 19.7 percent from Q4 of 2015 and 23.8 percent from Q3 from 2016. US fastener exports to the UK totaled \$45.5 million in Q4 of 2016. This is mainly due to nut exports

increasing 23 percent from Q3 of 2016 and 7 percent from Q4 of 2015.

US Exports of Fastener Products by Country

Country of Destination	2016								2015								% Change Q4 2015	% from Q3 2016
	Q1		Q2		Q3		Q4		Q1		Q2		Q3		Q4			
	FOB Value US\$	%	FOB Value US\$	%	FOB Value US\$	%	FOB Value US\$	%	FOB Value US\$	%	FOB Value US\$	%	FOB Value US\$	%	FOB Value US\$	%		
MEXICO	337,368,164	34.80	328,859,156	30.60	336,803,743	33.14	313,518,948	31.20	326,632,069	34.09	337,422,867	34.19	331,218,058	34.60	326,743,924	35.23	-4.0%	-6.9%
CANADA	248,127,418	25.60	260,579,469	24.25	246,650,653	24.27	241,495,076	24.03	253,587,085	26.47	268,004,138	27.16	256,677,591	26.81	241,853,216	26.08	-0.1%	-2.1%
BRAZIL	24,940,384	2.57	116,039,650	10.80	84,717,779	8.34	73,697,207	7.33	25,841,941	2.70	24,674,159	2.50	23,753,415	2.48	24,343,289	2.62	202.7%	-13.0%
CHINA	48,727,687	5.03	44,134,694	4.11	46,217,109	4.55	48,284,097	4.80	39,686,205	4.14	46,891,782	4.75	41,395,614	4.32	41,601,075	4.49	16.1%	4.5%
UNITED KINGDOM	39,498,558	4.07	41,781,557	3.89	36,803,137	3.62	45,558,026	4.53	42,373,802	4.42	41,674,775	4.22	39,390,281	4.11	38,052,568	4.10	19.7%	23.8%
GERMANY	30,703,952	3.17	30,553,046	2.84	28,497,898	2.80	28,123,323	2.80	30,858,718	3.22	26,892,082	2.72	25,851,592	2.70	26,624,368	2.87	5.6%	-1.3%
FRANCE	28,544,575	2.94	29,111,945	2.71	28,571,020	2.81	25,682,905	2.56	23,545,156	2.46	23,497,108	2.38	24,264,910	2.53	23,922,118	2.58	7.4%	-10.1%
SINGAPORE	16,380,672	1.69	19,457,227	1.81	20,439,767	2.01	21,533,462	2.14	19,399,054	2.02	17,277,071	1.75	15,726,912	1.64	15,907,513	1.72	35.4%	5.4%
JAPAN	19,387,073	2.00	25,847,856	2.41	19,046,813	1.87	18,922,551	1.88	17,705,041	1.85	23,353,124	2.37	21,831,611	2.28	19,859,074	2.14	-4.7%	-0.7%
SOUTH KOREA	18,234,324	1.88	14,043,179	1.31	14,861,097	1.46	18,557,738	1.85	16,962,801	1.77	17,388,914	1.76	20,455,552	2.14	18,662,773	2.01	-0.6%	24.9%

Import Variations by Fastener HS Code

Total US imports of fasteners declined from Q4 of 2015 vs. Q4 of 2016 by 3.4 percent but increased 3 percent from Q3 of 2016. The United States' largest fastener import, (HS 7318.16.0085) threaded nuts of iron or steel was one of the few that increased both from last quarter and last year. Threaded nuts rose 0.5 percent from Q3 of 2016 and 4.7 percent from Q4 of 2015. The top supplier of threaded nuts to the United States is Taiwan which supplies 32 percent of US threaded nuts.

Another notable product that grew tremendously in US imports from Q4 of 2015 to Q4 of 2016 is self-tapping screws (HS 7318.14.1060). Self-tapping screws increased

a hefty 40 percent from Q4 of 2015 vs. Q4 of 2016 and totaled \$159.8 million in the fourth quarter. The increase from 2015 can be attributed to the top 3 supplying countries all growing in supply. Taiwan, China and Japan, all increased exports of self-tapping screws by 5.7, 10.6, and 10 percent, respectively from Q4 of 2015.

US Imports of Fastener Products

Product HS(10)	2016								2015								% Change Q4 2015	% from Q3 2016
	Q1		Q2		Q3		Q4		Q1		Q2		Q3		Q4			
	General CIF Value US\$	%	General CIF Value US\$	%	General CIF Value US\$	%	General CIF Value US\$	%	General CIF Value US\$	%	General CIF Value US\$	%	General CIF Value US\$	%	General CIF Value US\$	%		
7318160085 - OTHER THREADED NUTS OF IRON OR STEEL, OTHERS	337,368,164	34.80	328,859,156	30.60	336,803,743	33.14	313,518,948	31.20	326,632,069	34.09	337,422,867	34.19	331,218,058	34.60	326,743,924	35.23	-4.0%	-6.9%
7318141060 - SELF-TAPPING SCREWS HAVING SHANKS OR THREADS WITH A DIAMETER OF LESS THAN 6 MM. OF IRON OR STEEL OTHER	248,127,418	25.60	260,579,469	24.25	246,650,653	24.27	241,495,076	24.03	253,587,085	26.47	268,004,138	27.16	256,677,591	26.81	241,853,216	26.08	-0.1%	-2.1%
7318290000 - OTHER NON-THREADED ARTICLES (FASTENERS) OF IRON OR STEEL, OTHERS	24,940,384	2.57	116,039,650	10.80	84,717,779	8.34	73,697,207	7.33	25,841,941	2.70	24,674,159	2.50	23,753,415	2.48	24,343,289	2.62	202.7%	-13.0%
7318152095 - BOLTS AND BOLTS AND THEIR NUTS OR WASHERS ENTERED OR EXPORTED IN THE SAME SHIPMENT, OF IRON OR STEEL, HAVING SHANKS OR THREADS WITH A DIAMETER 6MM OR MORE OTHERS	48,727,687	5.03	44,134,694	4.11	46,217,109	4.55	48,284,097	4.80	39,686,205	4.14	46,891,782	4.75	41,395,614	4.32	41,601,075	4.49	16.1%	4.5%

Product HS(10)	2016								2015								% Change Q4 2015	% from Q3 2016
	Q1		Q2		Q3		Q4		Q1		Q2		Q3		Q4			
	General CIF Value US\$	%	General CIF Value US\$	%	General CIF Value US\$	%	General CIF Value US\$	%	General CIF Value US\$	%	General CIF Value US\$	%	General CIF Value US\$	%	General CIF Value US\$	%		
7318220000 - WASHERS OTHER THAN LOCK WASHERS, IRON OR STEEL	39,498,558	4.07	41,781,557	3.89	36,803,137	3.62	45,558,026	4.53	42,373,802	4.42	41,674,775	4.22	39,390,281	4.11	38,052,568	4.10	19.7%	23.8%
7318158066 - CAP SCREWS OF IRON OR STEEL, WITH HEXAGONAL HEADS, HAVING SHANKS OR THREADS WITH A DIAMETER OF 6 MM OR MORE	30,703,952	3.17	30,553,046	2.84	28,497,898	2.80	28,123,323	2.80	30,858,718	3.22	26,892,082	2.72	25,851,592	2.70	26,624,368	2.87	5.6%	-1.3%
7318152065 - BOLTS OF IRON OR STEEL WITH HEXAGONAL HEADS, HAVING SHANKS OR THREADS WITH A DIAMETER OF 6MM OR MORE, OTHERS	28,544,575	2.94	29,111,945	2.71	28,571,020	2.81	25,682,905	2.56	23,545,156	2.46	23,497,108	2.38	24,264,910	2.53	23,922,118	2.58	7.4%	-10.1%
7318158069 - SCREWS OF IRON OR STEEL, WITH HEXAGONAL HEADS, HAVING SHANKS OR THREADS WITH A DIAMETER OF 6 MM OR MORE, OTHERS	16,380,672	1.69	19,457,227	1.81	20,439,767	2.01	21,533,462	2.14	19,399,054	2.02	17,277,071	1.75	15,726,912	1.64	15,907,513	1.72	35.4%	5.4%
7318158085 - OTHER SCREWS OF IRON OR STEEL, HAVING SHANKS OR THREADS WITH A DIAMETER OF 6MM OR MORE, OTHERS	19,387,073	2.00	25,847,856	2.41	19,046,813	1.87	18,922,551	1.88	17,705,041	1.85	23,353,124	2.37	21,831,611	2.28	19,859,074	2.14	-4.7%	-0.7%
7318155090 - STUDS OF IRON OR STEEL, THREADED, EXCLUDING STAINLESS STEEL, OTHERS	18,234,324	1.88	14,043,179	1.31	14,861,097	1.46	18,557,738	1.85	16,962,801	1.77	17,388,914	1.76	20,455,552	2.14	18,662,773	2.01	-0.6%	24.9%

Export Variations by Fastener HS Code

The leading US export fastener product, threaded fasteners of iron or steel, (HS 7318.15.9000) also made a notable increase of 31.8 percent from Q4 of 2015 vs. Q4 of 2016 and totaled \$319.6 million. This was due to a 202 percent increase in exports of the product to Brazil in that time. The United States exported nearly \$50 million more

threaded fasteners in Q4 of 2016 vs. Q4 2015. The top importers of US threaded fasteners, Mexico and Canada both declined in exports at that time by 4 and 0.1 percent, respectively.

US Exports of Fastener Products

Product HS(10)	2016								2015								% Change Q4 2015	% from Q3 2016
	Q1		Q2		Q3		Q4		Q1		Q2		Q3		Q4			
	FOB Value US\$	%	FOB Value US\$	%	FOB Value US\$	%	FOB Value US\$	%	FOB Value US\$	%	FOB Value US\$	%	FOB Value US\$	%	FOB Value US\$	%		
7318159000 - THREADED FASTENERS OTHERS OF IRON OR STEEL	265,223,735	27.36	341,606,979	31.79	316,889,256	31.18	319,632,561	31.81	257,389,358	26.87	263,365,793	26.69	254,502,122	26.58	242,566,561	26.15	31.8%	0.9%
7318160000 - NUTS OF IRON OR STEEL	198,266,102	20.45	203,022,936	18.89	189,748,854	18.67	190,331,249	18.94	194,461,680	20.30	194,144,984	19.67	186,352,914	19.47	192,250,952	20.73	-1.0%	0.3%
7318152000 - BOLTS AND BOLTS AND THEIR NUTS OR WASHERS EXPORTED IN THE SAME SHIPMENT	152,746,098	15.76	152,480,044	14.19	157,292,096	15.48	141,587,568	14.09	141,099,662	14.73	168,592,158	17.08	169,978,963	17.76	150,526,096	16.23	-5.9%	-10.0%

Product HS(10)	2016								2015								% Change Q4 2015	% from Q3 2016
	Q1		Q2		Q3		Q4		Q1		Q2		Q3		Q4			
	FOB Value US\$	%	FOB Value US\$	%	FOB Value US\$	%	FOB Value US\$	%	FOB Value US\$	%	FOB Value US\$	%	FOB Value US\$	%	FOB Value US\$	%		
7318290000 - OTHER NON-THREADED ARTICLES (FASTENERS) OF IRON OR STEEL, OTHERS	105,711,077	10.90	104,022,899	9.68	105,190,294	10.35	115,765,043	11.52	115,775,952	12.09	108,724,451	11.02	100,734,917	10.52	103,224,091	11.13	12.1%	10.1%
7318220000 - WASHERS OTHER THAN LOCK WASHERS, IRON OR STEEL	51,793,368	5.34	53,831,417	5.01	49,247,042	4.85	49,706,527	4.95	53,118,872	5.54	55,332,081	5.61	53,719,959	5.61	52,169,843	5.62	-4.7%	0.9%
7318155000 - STUDS OF IRON OR STEEL, THREADED	47,189,717	4.87	44,425,277	4.13	44,133,533	4.34	44,583,375	4.44	51,218,300	5.35	47,805,545	4.84	46,698,633	4.88	49,528,686	5.34	-10.0%	1.0%
7318190000 - THREADED ARTICLES OF IRON OR STEEL OTHERS (NOT BOLTS, NUTS OR SCREWS)	42,356,890	4.37	46,191,869	4.30	45,340,622	4.46	40,683,873	4.05	40,186,575	4.19	42,079,606	4.26	42,101,099	4.40	39,527,411	4.26	2.9%	-10.3%
7318240000 - COTTERS AND COTTER PINS, OF IRON OR STEEL	35,571,488	3.67	39,919,764	3.71	35,824,831	3.52	34,484,595	3.43	37,537,037	3.92	35,570,270	3.60	33,081,450	3.46	31,424,668	3.39	9.7%	-3.7%
7318230000 - RIVETS OF IRON OR STEEL	25,643,992	2.65	25,626,290	2.38	23,531,236	2.32	23,866,059	2.37	24,751,740	2.58	24,808,300	2.51	25,124,850	2.62	24,515,999	2.64	-2.7%	1.4%
7318140000 - SELF-TAPPING SCREWS OF IRON OR STEEL	24,187,368	2.50	42,636,123	3.97	27,309,796	2.69	25,495,767	2.54	21,440,556	2.24	24,096,324	2.44	22,010,363	2.30	22,263,050	2.40	14.5%	-6.6%



Chang Bing Enterprise Co., Ltd.
彰濱企業有限公司

No.49, Xingong Rd., Shengang Township, Changhua County 50971, Taiwan
Tel: 886-4-798-0619 Fax: 886-4-798-0622
E-mail: changbing@hangers.com.tw; pickandsheep@hangers.com.tw
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Recap

Notable fluctuations in the US fastener trade in the 4th quarter of 2016 came from Japan, which US imports increased from consistently in Q4 vs. Q4 of 2015 and Q3 of 2016. Also, German exports of fasteners to the United States have continued to decline in 2016, which may signal a similar pattern in 2017. US exports of fasteners to Mexico and Canada have declined in the 4th quarter vs. Q4 of 2015 and Q3 of 2016. Strangely enough, US exports of fasteners to Brazil increased 202 percent in Q4 of 2016, which was especially seen in threaded fasteners. Will the rising exports continue in 2017? Will manufacturers reinvest in more US locations? Time will tell if more dramatic changes in trade continue this year. For now, there has not been a large disrupt in fastener trade. Simply bumps in the road.

