

ASEAN Fastener Machinery and Trade Statistics



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ASEAN is one of the brightest spots in the global economy with an average annual real growth rate of 5.3% from 2007 to 2015, as published in their 2016 report. ASEAN has recorded 7% of the total global foreign direct investment (FDI) inflows in 2015 which was about USD121 billion. Overall, at USD2.4 trillion, ASEAN economy was the sixth largest in the world in 2015 and the third largest in Asia. ASEAN is already a major manufacturing hub which accounts for about 5 percent of global manufacturing with dominant shares in sub-sectors such as metals, motor vehicles, and chemicals.

ASEAN member states have invested in infrastructure to varying degrees in terms of spending and development. The private sector has been a significant player in the region's infrastructure development. Rising infrastructure expenditure in this region is estimated to have a positive impact on construction segment and many other segments. Growth in any of these industries with no doubt increases the demand for fastener products.

The ASEAN industrial fastener market is expected to observe major progress for the next five years as a result of significant evolution in key industries such as automotive, construction, and machinery regionally and globally. Increasing demand in automotive market, growth of infrastructure-based development and technological evolution in various industries are projected to be the driver of fastener market growth. The increasing demand for fastener products apparently enlarges the market for fastener machinery and related tools and equipment such as dies and molds.

Increasing investment in construction in Vietnam, Indonesia, Malaysia, Thailand, and Philippines as a result of economic growth and industrialization is expected to stimulate the fastener market in these countries. Continuous development of durable goods manufacturing industries and growing demand for industrial parts for infrastructure is expected to propel market demand. For example, in Malaysia, increasing maintenance, repair, and operations (MRO) services for airframe maintenance, engine overhaul, and aircraft modifications & conversion are further anticipated to drive market demand. Increasing importance of preventive maintenance in automotive, energy, electronics and chemical sectors is anticipated to promote the role of MRO. As a result, the industrial fastener market is anticipated to see significant growth in MRO applications.

Increasing usage of fasteners in vehicles such as engine, chassis, molding, suspension system, frame, body assembling and wheels is expected to drive its demand in automotive OEM. Additionally, automobile production growth in ASEAN is anticipated to perform well as a key feature for industrial

fastener growth in automotive OEM application. In 2016 the total ASEAN automotive production was 3.82 million while Thailand and Indonesia production were around 80% of regional production. Consequently, fastener demand in machinery OEM is expected to grow on account of increasing demand for various types of machinery. Rising demand for fastener products in material handling equipment and heavy machinery is expected to propel market growth.

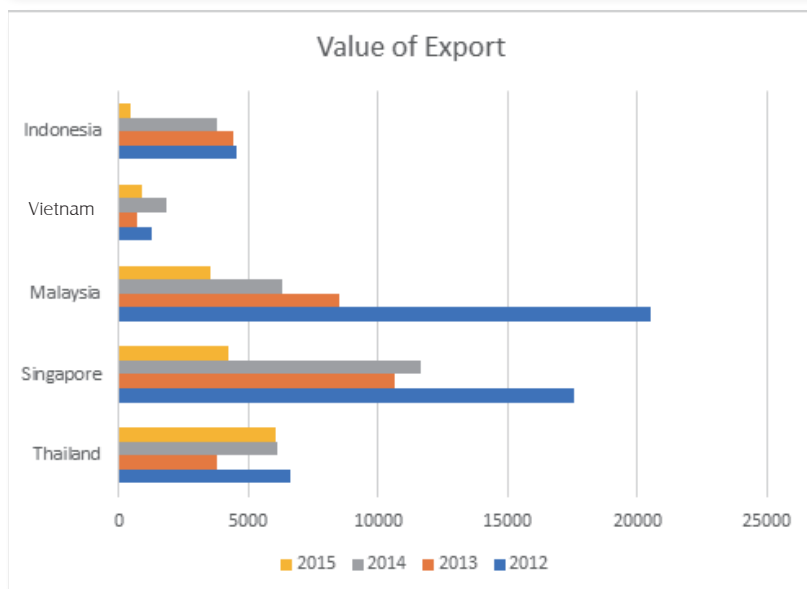
In addition to fastener products, in recent years, the mold industry, as one of the key components of fastener manufacturing has been reasonably developed globally. Along with the technological advancement, fastener molds' design and production has become more complex and strict. To do so, many ASEAN countries mold manufacturers, with low technical content, need to step forward towards the high technology content and advanced structure. In this region the production scale is still small and the quality is relatively low compared to the leaders in this market such as Taiwan.

Another key topic in ASEAN economy is about trading. The trade value registered for ASEAN countries in 2015 was USD2.3 trillion accounting for the 4th largest share of total global trade. ASEAN is rapidly evolving as a major contributor in the global value chain. This will consequently strengthen these countries' role and position in global trade.

Although ASEAN is one of the key players in the global trading market, in the fastener machinery market ASEAN countries are still far behind other Asian leaders such as China, Japan, Korea and Taiwan. As reported in ITC, the trade statistics for international business development, the total export value of fastener making machines in ASEAN was only about 15.5 thousand dollars in 2015. As illustrated in the chart below the majority of this amount is originated from Thailand, Singapore, Malaysia and Vietnam.

Exporters	2012	2013	2014	2015
Thailand	6,637	3,809	6,101	6,045
Singapore	17,547	10,663	11,634	4,235
Malaysia	20,486	8,510	6,328	3,544
Vietnam	1,274	705	1,819	903
Indonesia	4,526	4,399	3,793	463
Cambodia	23	0	0	220
Philippines	101	4,650	221	59
Brunei Darussalam	0	0	16	16
Myanmar	95			10
Lao People's Democratic Republic	138			

Exporters	2012	2013	2014	2015
World	2,045,206	1,972,227	1,964,637	1,785,828
ASEAN	50,827	32,736	29,912	15,495
	2.49%	1.66%	1.52%	0.87%



ASEAN fastener machinery export value is significantly low compared to the total export value in the global market. The global export value for fastener machinery has been registered with about 1.8 million dollars as the highest value has been recorded by Japan with 247 thousand dollars.

It is notable that all these figures and statistics about the fastener machinery are

extracted and calculated from the UN COMTRADE statistics based on the HS commodity code for forging or die-stamping machines.

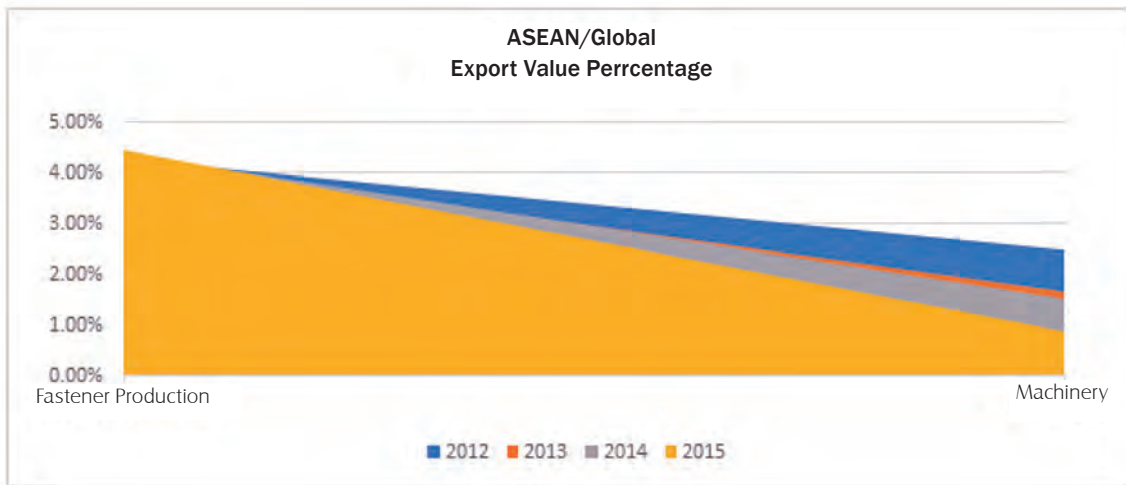
On the other hand, the total import value of fastener machinery in ASEAN in 2015 was about 257 thousand dollars, 16 times more than the export value. This figure shows that ASEAN fastener machinery market is still too dependent to manufacturer other than ASEAN exporters to fulfil the demand for their local industrial fastener production.

The following chart depicts that the total export value of end products in the fastener market, such as screws, bolts and nuts in ASEAN is about 4 percent

of its total value in the global market in 2015. In contrast the statistics for fastener machinery exhibit that not even one percent of the global export value is generated by ASEAN countries.

Exporters	2012	2013	2014	2015
World	33,177,651	34,736,686	37,071,318	33,578,100
ASEAN	1,417,061	1,473,533	1,617,718	1,491,852
Thailand	451,524	469,998	501,551	447,467
Vietnam	214,795	274,793	343,532	352,289
Malaysia	323,495	335,624	332,488	292,914
Singapore	263,927	271,826	315,926	285,225
Indonesia	91,883	78,869	87,739	77,276
Philippines	70,387	41,111	36,206	35,704
Cambodia	447	1,146	5	566
Myanmar	184	9	88	215
Brunei Darussalam	366	150	148	142
Lao People's Democratic Republic	53	7	35	54

	2012	2013	2014	2015
Fastener Production	4.27%	4.24%	4.36%	4.44%
Machinery	2.49%	1.66%	1.52%	0.87%




In summary, ASEAN manufacturers in the fastener market are still struggling to play a more important role in the global market and improve their positions in Asian market. These things never happen unless manufacturers try to reach out to high-end markets by strengthening their capabilities, applying creativity and new technologies, and last but not least, by growing their industry's talent. It is highly recommended that industries should cooperate closely with universities and research institutes, as it has been practiced in many developed countries, in order to improve their product's quality, production process and innovation.

Sources:

Market Research Report: Asia Industrial Fasteners Market Analysis by Product, by Application and Segment Forecasts to 2020

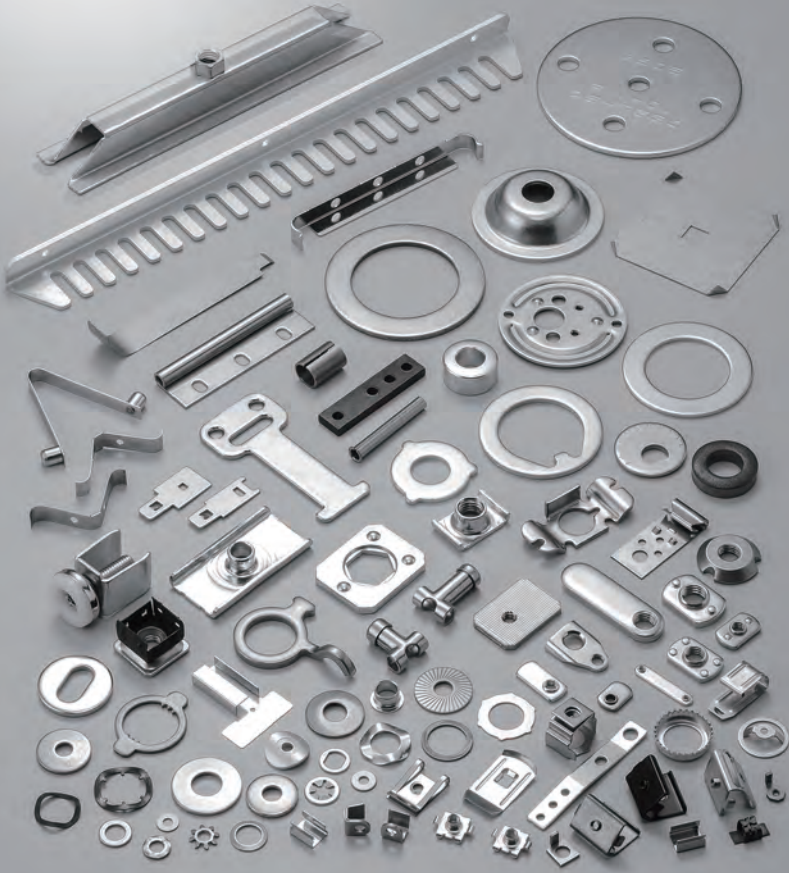
ITC, the Trade Statistics for International Business Development

ASEAN 2016 Report



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ISO9001:2008 ISO14001:2004 ISO/TS 16949:2009



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