

U.S. Fastener Trade with Latin America in the 1st Quarter of 2017

Has the new United States administration changed the US fastener trade with Latin America by comparison to the 1st Quarter of 2016?

by Sabrina Rodriguez

Data note: The data for this article is derived from the US Census trade statistics. US Census trade statistics analysis import and export on all modes of transportation. That value is calculated in USD by general CIF for imports and FOB for exports. Fasteners in this article are defined as any product under HS Code 7318 (Screws, bolts, nuts, coach screws, rivets, cotter pins, washers and similar articles or iron or steel).

With a new administration come the negotiations revolving foreign trade agreements with neighboring countries. One of the most evident trade partners of the United States is Mexico, conveniently positioned in a region that will allow the flow of import and export trade to and from several other countries in Latin America. Major manufacturing plants south of the United States border will possibly face challenges revolving the imports/export of fasteners.

Due to the new administration and possible changes in foreign trade agreements, many suppliers in Latin America are reconsidering their trade partnerships. Judging based on the first quarter of 2017, can we already see evident changes by comparison to the first quarter of 2016?

Import Variations by Country Trade Partner

The major countries of which supplied fasteners to the U.S. in Q1 of 2016 were Mexico, Brazil and Argentina. Mexico increased their exports each month, reaching an overall increase of .84% from where they started in January and ended in March. Mexico has the obvious advantage of exporting goods over the border by modes of railroad and terrestrial transportation as opposed to overseas suppliers which must resort to methods of transportation via maritime carriers. Brazil being the second major country supplying fasteners to the U.S. had a slight decline in February, but then increased their supplies in March by .07% in comparison to January. In terms of value, this was an increase of over 285,000 USD between the beginning of the quarter and the end of the quarter. Coming in as the third largest supplier of fasteners was Argentina, increasing their volume from 15,175 USD at the beginning of the quarter to 50,384 USD at the end of the quarter.

Several other countries in Central and South America are exporting to the United States, but at a much lesser consistent basis and at much lesser volumes. For example, Costa Rica and Colombia exported fasteners at the beginning of the quarter, but by March 2016 they ceased export. Similarly, Guatemala exported 2,173 USD in January of 2016, but did not show additional exports in the remainder of the quarter.

Overall the volume of exports from Latin America was the highest at the end of the first quarter, and showed an overall steady incline.

US Imports of Fastener Products from Latin America (HS Code 7318)

Country of Origin	2017						2016					
	JAN		FEB		MAR		JAN		FEB		MAR	
	General CIF Value US\$	%	General CIF Value US\$	%	General CIF Value US\$	%	General CIF Value US\$	%	General CIF Value US\$	%	General CIF Value US\$	%
MEXICO	6,962,289.00	1.66	8,288,817.00	2.14	10,301,984.00	2.50	7,788,661.00	2.01	9,027,662.00	2.35	9,164,101.00	2.27
BRAZIL	671,315.00	0.16	531,641.00	0.14	956,869.00	0.23	532,743.00	0.14	497,174.00	0.13	971,376.00	0.24
ARGENTINA	15,175.00	0.00	14,269.00	0.00	50,384.00	0.01	0.00	0.00	3,680.00	0.00	0.00	0.00
COSTA RICA	4,780.00	0.00	13,651.00	0.00	0.00	0.00	6,403.00	0.00	18,601.00	0.00	5,242.00	0.00
COLOMBIA	4,277.00	0.00	3,521.00	0.00	0.00	0.00	2,417.00	0.00	4,901.00	0.00	0.00	0.00
GUATEMALA	2,173.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CHILE	0.00	0.00	0.00	0.00	0.00	0.00	11,187.00	0.00	10,943.00	0.00	0.00	0.00
ECUADOR	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	9,696.00	0.00
PANAMA	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	26,624.00	0.01	20,461.00	0.01
PERU	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5,320.00	0.00	0.00	0.00
Total (Latin America)	7,660,009.00	1.82	8,851,899.00	2.28	11,309,237.00	2.74	8,341,411.00	2.15	9,594,905.00	2.49	10,170,876.00	2.52
General Total:	419,628,344.00	100.00	387,753,300.00	100.00	412,438,442.00	100.00	387,061,379.00	100.00	384,053,650.00	100.00	403,670,687.00	100.00

How does the First Quarter of 2017 Compare?

Mexico and Brazil remained the top two countries supplying the U.S. with fasteners throughout the first quarter of 2017. The volumes were overall higher during the first quarter of 2017; however, Mexico represented a decrease of 0.23% in volume at the end of the quarter. On the other hand, Brazil increased their exports to the U.S. at the end of the quarter by comparison to 2016. Argentina did not appear as the third largest exporter to the U.S. in 2017. Instead, Costa Rica appeared to increase their exports by an overall volume of nearly 12,000 USD. Chile, Ecuador, Panama and Peru appear to be the only countries in Latin America exporting to the U.S. during the first quarter of 2017 that were not exporting in the first quarter of 2016.

In conclusion, the overall volume in USD was lower during the first quarter of 2017 than it was during the first quarter of 2016, despite the increase in exports from 4 other Latin American partners.

Export Variations by Country Trade Partner

During the first quarter of 2016 the U.S. exported the highest volume of fasteners to Mexico, Brazil and Colombia. Exports to Mexico increased by nearly 2% between the first month of the quarter and the last month of the quarter. Brazil steadily declined throughout the quarter, with a decrease of 6.38%. Exports to Colombia seemed rather consistent throughout the first quarter. Exports to Venezuela increased substantially at the end of the quarter, increasing the volume in USD from 55,659 to 2,457,688. Nicaragua, Suriname and Paraguay also represented notable increases throughout the first quarter of 2016.

Overall the U.S. exports fasteners to more countries in Latin American than Latin American countries export to the U.S. The U.S. is not seen as an exporter in many markets, however, it is evident that the U.S. is a major trade partner to much of Latin America.

US Exports of Fastener Products to Latin America (HS Code 7318)												
Country of Destination	2017						2016					
	JAN		FEB		MAR		JAN		FEB		MAR	
	FOB Value US\$	%	FOB Value US\$	%	FOB Value US\$	%	FOB Value US\$	%	FOB Value US\$	%	FOB Value US\$	%
MEXICO	112,941,358.00	30.59	109,816,104.00	32.31	124,597,935.00	32.58	108,933,548.00	35.42	111,936,252.00	35.08	116,498,364.00	33.99
BRAZIL	45,428,814.00	12.30	24,082,497.00	7.08	22,642,265.00	5.92	7,038,152.00	2.29	8,987,987.00	2.82	8,914,245.00	2.60
COLOMBIA	1,649,562.00	0.45	925,512.00	0.27	1,818,108.00	0.48	959,787.00	0.31	1,019,700.00	0.32	920,844.00	0.27
ARGENTINA	977,680.00	0.26	1,035,034.00	0.30	959,650.00	0.25	1,238,231.00	0.40	1,335,382.00	0.42	954,171.00	0.28
PERU	465,342.00	0.13	936,283.00	0.28	745,114.00	0.19	1,685,833.00	0.55	898,235.00	0.28	524,392.00	0.15
COSTA RICA	363,122.00	0.10	362,988.00	0.11	440,871.00	0.12	317,900.00	0.10	401,522.00	0.13	560,115.00	0.16
PANAMA	285,173.00	0.08	231,499.00	0.07	452,540.00	0.12	261,205.00	0.08	209,564.00	0.07	183,164.00	0.05
HONDURAS	204,278.00	0.06	113,258.00	0.03	170,948.00	0.04	94,008.00	0.03	114,703.00	0.04	103,041.00	0.03
VENEZUELA	109,324.00	0.03	55,659.00	0.02	2,457,688.00	0.64	403,502.00	0.13	769,181.00	0.24	1,240,491.00	0.36
EL SALVADOR	105,080.00	0.03	254,321.00	0.07	133,931.00	0.04	154,448.00	0.05	149,235.00	0.05	76,252.00	0.02
BELIZE	79,788.00	0.02	161,515.00	0.05	91,454.00	0.02	0.00	0.00	90,180.00	0.03	35,163.00	0.01
ECUADOR	78,534.00	0.02	167,991.00	0.05	63,240.00	0.02	175,977.00	0.06	147,977.00	0.05	131,892.00	0.04
GUATEMALA	66,049.00	0.02	92,326.00	0.03	79,551.00	0.02	125,645.00	0.04	275,289.00	0.09	36,815.00	0.01
NICARAGUA	54,068.00	0.01	50,347.00	0.01	112,956.00	0.03	152,917.00	0.05	98,568.00	0.03	184,549.00	0.05
URUGUAY	36,557.00	0.01	2,811.00	0.00	6,629.00	0.00	39,638.00	0.01	205,033.00	0.06	65,283.00	0.02
GUYANA	34,910.00	0.01	19,400.00	0.01	31,822.00	0.01	8,018.00	0.00	96,088.00	0.03	16,690.00	0.00
BOLIVIA	34,909.00	0.01	2,640.00	0.00	9,755.00	0.00	7,243.00	0.00	26,649.00	0.01	18,291.00	0.01
SURINAME	21,776.00	0.01	22,507.00	0.01	61,219.00	0.02	21,674.00	0.01	29,529.00	0.01	36,278.00	0.01
PARAGUAY	5,514.00	0.00	9,276.00	0.00	24,666.00	0.01	0.00	0.00	13,600.00	0.00	2,542.00	0.00
Total (Latin America)	162,941,838.00	44.14	138,341,968.00	40.70	154,900,342.00	40.51	121,617,726.00	39.53	126,804,674.00	39.76	130,502,582.00	38.06
General Total:	369,256,502.00	100.00	339,929,692.00	100.00	382,487,336.00	100.00	307,566,444.00	100.00	319,078,553.00	100.00	342,776,842.00	100.00

How does the First Quarter of 2017 Compare?

Mexico remained on the top of the list receiving the highest amount of fastener exports from the U.S. The volume of exports to Mexico increased throughout the first quarter. Next on the list was Brazil, which also reported an increasingly high amount of exports from the U.S. in the first month of the quarter, but then slightly decreased by .22% at the end of the quarter. Argentina appeared to be the third largest trading partner during the first quarter of 2017 instead of Colombia. Venezuela showed a substantial increase of .12% during the end of the quarter; however, in the first quarter of 2016 it was a much larger increase of .62%.

In the end, the first quarter of 2017 represented monthly increases in the volume of exports from the U.S. to Latin America on fasteners.

Recap

It is still too soon to tell whether the new administration will affect the overall trade of fasteners between the U.S. and Latin America. It is a topic worth following for suppliers and buyers alike due to the ever-changing foreign trade negotiations and possible fluctuations in other markets. ■