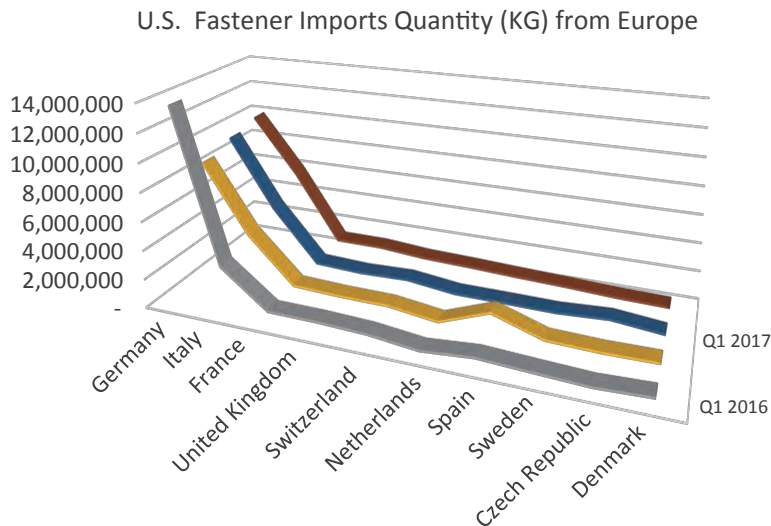


# U.S.-Europe Fastener Trade

## in H1 2017

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During the first half of 2017, the US imported USD144 million worth of fasteners (HS 7318) from Germany, which is more than twice of the total imports from the second largest European exporter, Italy. Over the same period this year Italy recorded the export value of USD66.5 million into the US market. In last two quarters, the total fastener imports value from Europe is about 15% of the total US fastener imports. The chart below compares the quantity of fastener imports (HS 7318) from top 10 European exporters in the first half of 2016 and 2017.

Table 1.

	Germany	Italy	France	United Kingdom	Switzerland	Netherlands	Spain	Sweden	Czech Republic	Denmark
■ Q1 2016	13,735,738	3,281,163	816,234	785,333	654,606	275,779	560,752	388,660	235,557	377,186
■ Q2 2016	8,663,088	3,996,125	875,851	749,189	719,374	277,787	1,557,816	428,799	325,764	374,298
■ Q1 2017	9,348,512	4,532,335	889,292	754,934	852,888	453,913	438,379	404,665	604,534	266,106
■ Q2 2017	9,878,450	5,887,265	1,127,250	1,113,324	846,203	744,380	601,754	489,577	331,800	261,602

Industrial fasteners in the US are projected to experience more sustainable growth rate through 2020, after a demand shock during the recovery period between 2010 and 2015. Over this period the highest growth rate recorded in 2012 with an increase of 11 percent compared to 2011. In 2015, the industrial fastener market in the US registered an increase of 3.4 percent over 2014 with the value of USD905 million.

The fastener industry and its trade market have always been influenced by the movements of the major end-user market and automotive manufacturing. The automotive industry as the single largest market for fasteners is projected to account for 28 percent of the total demand in 2020. More specifically in the US fastener market, any significant change in motor vehicle production impacts drastically on fastener demand and its trade statistics.

In the US market, the fastest sales growth in the fastener market is expected to be observed in the construction industry, since this industry in both residential and non-residential segments stays profitable and grows at steady rates through 2020.

In addition to the above industries, the fastener market demand in the US has increased as a result of robust conditions in the aerospace industry. This market is projected to grow up to USD7.73 billion by 2021. The specialized high-grade fasteners in this market is expected to beat growth in standard fastener sales and relatively in international trade. However, in general, standard fasteners (including externally threaded, internally threaded, and non-threaded products) will represent 90 percent of total product global sales in 2020. In the US market, a competition from overseas manufacturers is much stronger for standard fasteners than specialized products.

## Trade Statistics

Based on a report from the US Department of Commerce, the value of exports of manufactured goods reached nearly USD1.3 trillion in 2016, accounting for nearly 60% of all US exports. This amount directly supports nearly 6 million U.S. factory jobs, which are almost half of all manufacturing employment in the US. One-third of exported goods are capital goods (USD519 billion), another one third are industrial supplies (USD398 billion) and the rest are consumer goods.

On the other hand, the US imports benefit the Americans as well. They bring lower prices and more choices for American businesses. Companies' imports of intermediate goods, raw materials, and capital goods account for more than 60% of overall U.S. goods

imports which reduce the costs for manufacturers and other businesses and help them enhance their competitive edge.

In 2016, the United States was the world's third-largest exporter, after China and the European Union and the world's second-largest importer after the EU. In 2017, total US good imports from Europe reached USD286.3 billion from January to July. During this period, USD189.9 billion US products have been exported to Europe.

### Fasteners Trade

The U.S. economic relationship with the EU is the largest and most complex in the world. The United States and the EU continue to pursue initiatives to create new opportunities for intercontinental trade.

Industrial fastener sales in the US and Western Europe are projected to increase at a slower pace compared with the global average through 2020. In these regions market growth will be low as a result of the maturity of most fastener markets. Eastern Europe to some extent has a higher growth since this region converts into an increasingly important producer of goods for export to Western Europe.

In the fastener market, the United States is one of the leading exporters to Europe and follows the top three exporters (Germany, Taiwan, and Italy) which contribute more than 40% of the total European fastener imports market.

As stated earlier, Germany is the largest European fastener exporter to the US market with a significant distance with the second largest exporter, Italy.

Table 2.

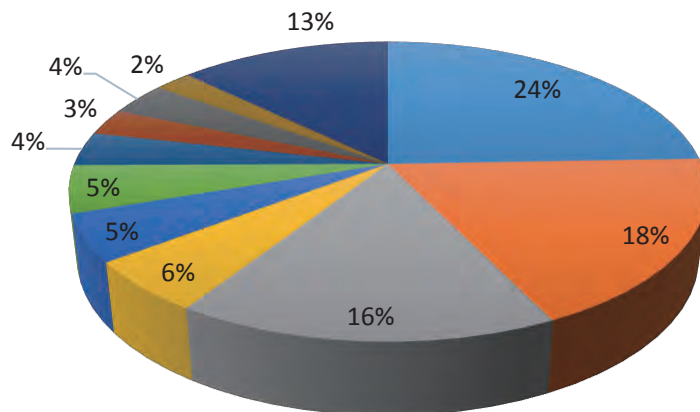
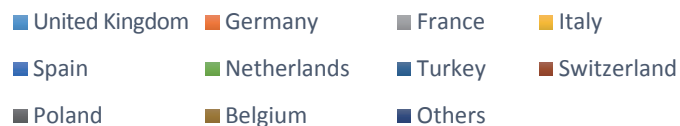
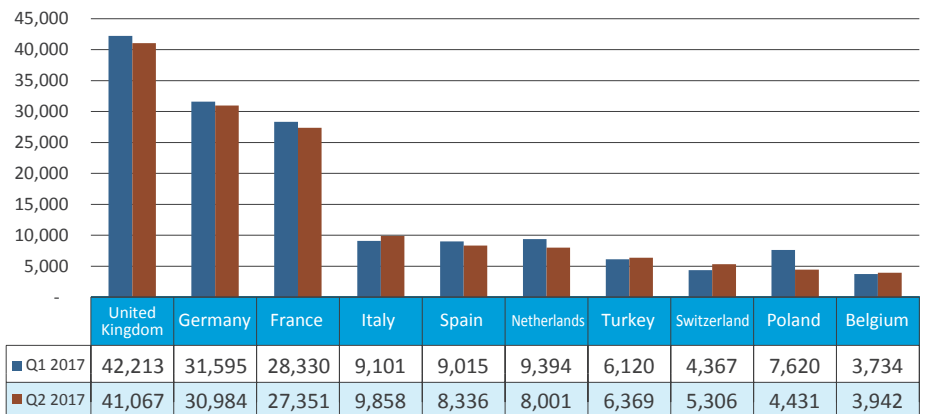
Exporters	Imported value in 2017-Q1	Imported value in 2017-Q2
World	1,219,820	1,321,688
Taiwan	399,466	425,557
China	275,575	323,773
Japan	166,645	162,168
Germany	71,339	72,894

In terms of U.S. fastener (HS 7318) imports value, Germany has again registered its name as the leader in Europe exporters followed by Italy, France and the UK. However, based on the US fastener imports statistics, the top three global fasteners exporters (i.e. Taiwan, China, and Japan) to the US market accounting for 69% of total imports value this year (Jan-Jul 2017) and Germany imports share is just about 6% of the total value of this market in the US. **Table 2** below exhibits the list of top supplying markets for fasteners (HS 7318) imported by the US in the first and second quarters of this year.

**In the first quarter of 2017, US fastener suppliers exported about USD177 million of fasteners (HS 7318) to European countries which recorded about 11 thousand tons of fasteners. In the second quarter, the exports value slightly declined to USD165 million worth of fasteners with the exports quantity of 10 thousand tons. The total amount of fastener exports by American suppliers to Europe is about 16% of the total US fastener exports.**

**The following pie chart illustrates the percentage of US fastener exports value to the European markets during the first half of this year.**

Table 3. U.S. Fastener Exports Value ('000USD) to Europe



Sources:

Global Industrial Fastener Market, 9th Edition: The Freedonia Group  
 ITC, Trade statistics for International Business Development  
 Trade Statistics, United States Census Bureau & US Chamber of Commerce