

Market Focus-



S. Korea's Fastener Import/Export Statistics and Its Trend in Full Year 2017

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All values are in thousand USD

Introduction

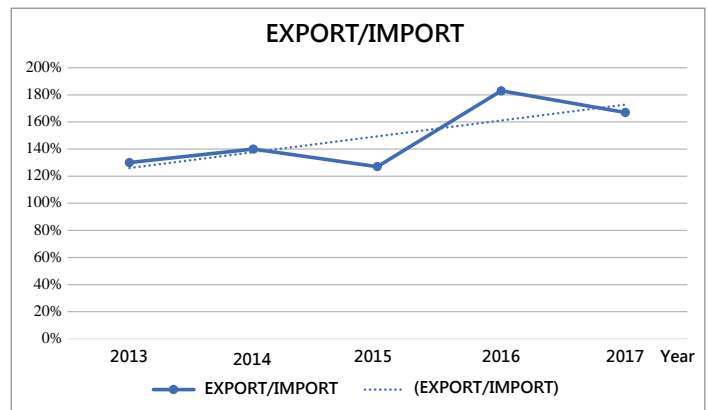
South Korea is one of the most industrialized countries in Asia and has famous brands like Hyundai, KIA, Daewoo and Ssang Yong in the automotive industries. These brands also have some joint ventures with Renault, Honda, Mazda, etc. The other most famous Korean companies are Samsung, LG and etc. in IT and home appliance industries.

This article will study the fastener industry situation in S. Korea.

The following table shows that South Korea is a powerful country in producing fasteners. Its export value is 167% higher than its import value in the fastener category. However, this ratio does not categorize S. Korea as a self-sufficient country.

According to the annual growth of the export/import ratio, it is clear that the fastener industry in S. Korea has attracted a lot of capital since 2013.

World	2013	2014	2015	2016	2017
Exported Fasteners	674,807	742,273	753,528	902,090	858,265
Imported Fasteners	520,998	529,766	592,336	493,906	513,028
Export/Import	130%	140%	127%	183%	167%



Below, I will specify to which markets Korean fasteners have been sold and which countries have gained significant share in the Korean market since 2013.

Export to Korea

1- China

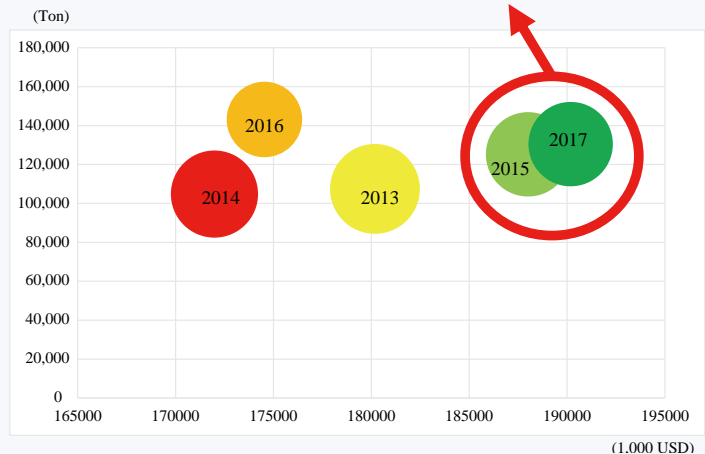
China is the biggest exporter to Korea. It has more than 37% of the Korea market, based on the value of each kilogram of Chinese fasteners exported to the Korean market. Chinese fasteners can be categorized as cheap fasteners (mostly standard fasteners)

China	2013	2014	2015	2016	2017
Value	180,185	171,986	188,006	174,539	190,181
Market Share	34.6%	32.5%	31.7%	35.3%	37.1%
QTY. (Ton)	107,460	104,806	125,215	143,143	130,463
Unit Prices/KG (USD)	1.7	1.6	1.5	1.2	1.5

Looking more closely to the above statistics, it shows that in 2015 and 2017 Chinese exported fastener value was at the highest level and the unit price of Chinese exported fastener was 1.5 USD/Kg.

In 2016, the price of Chinese fasteners was at the lowest level (1.2 USD/Kg). However, the quantity of exported fasteners in the same year was in the highest level, but the value of exported fasteners was at the lowest level (after 2015).

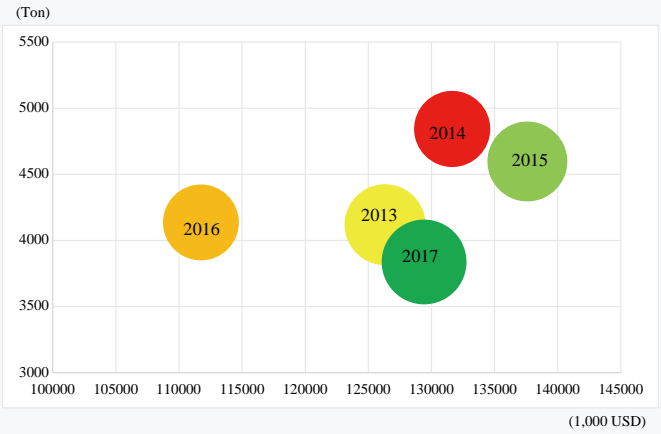
The left table shows that the best price for Chinese fasteners in Korea may be 1.5 USD/ Kg.



2- USA

USA is the second biggest fastener exporter to Korea; US fasteners have been categorized as being expensive or high-tech fasteners. USA has more than 25% of the Korean fastener market. The following table shows that, according to the type of exported fasteners through USA, high-tech fasteners are not price sensitive.

USA	2013	2014	2015	2016	2017
Value	126,324	131,639	137,597	111,737	129,414
Market Share	24.2%	24.8%	23.2%	22.6%	25.2%
QTY. (Ton)	4,119	4,843	4,597	4,136	3,837
Unit Prices/KG (USD)	30.7	27.2	29.9	27.0	33.7



Conclusions for Imported Fasteners

China and USA have altogether shared more than 62% of the Korean fastener market. On the other hand, Japan as one of the high-tech fasteners producers as well as the neighbour of Korea could not support Korea well, and USA is the biggest supporter to Korea in the high-tech fastener category, so it means that in terms of expensive fasteners price and freight charge may not be the key factors.

Import from Korea

1-China

The key points of China as the biggest market for Korean fasteners are:

- 1- More than 22% of S. Korean fasteners are exported to China.
- 2- Korean suppliers have increased their fastener unit price annually since 2013.

China	2013	2014	2015	2016	2017
Value	127,485	146,666	157,868	239,593	193,100
Market Share	18.9%	19.8%	21.0%	26.6%	22.5%
QTY. (Ton)	25,204	27,665	27,304	39,599	30,682
Unit Prices/KG (USD)	5.1	5.3	5.8	6.1	6.3

2-USA

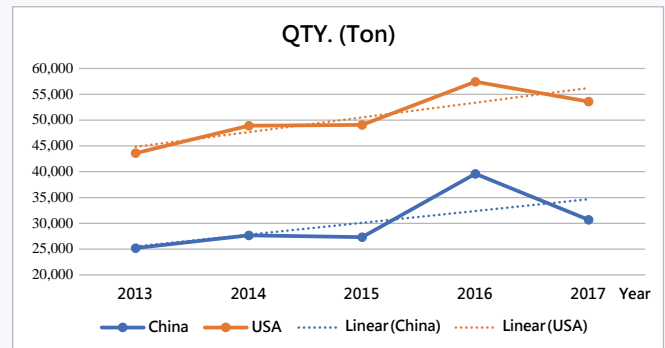
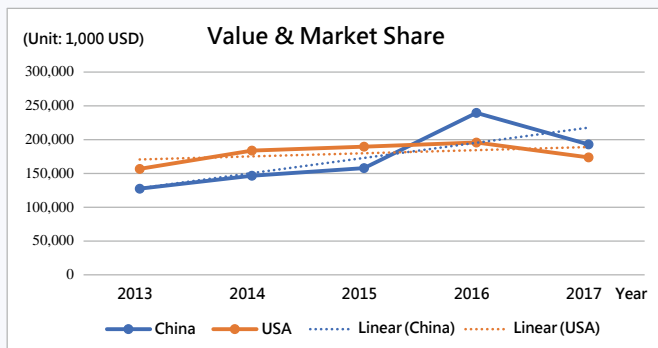
USA is the 2nd biggest market for Korean fasteners, as:

- 1- It bought more than 20% of Korean fasteners in 2017.
- 2- It was once the biggest market for Korean fasteners until 2016. China surpassed USA in this sector in 2016. One of the reasons was the decreasing prices for US market and the increasing prices for China market.

USA	2013	2014	2015	2016	2017
Value	156,760	183,671	189,456	195,812	173,657
Market Share	23.2%	24.7%	25.1%	21.7%	20.2%
QTY. (Ton)	43,597	48,925	49,072	57,432	53,580
Unit Prices/KG (USD)	3.6	3.8	3.9	3.4	3.2

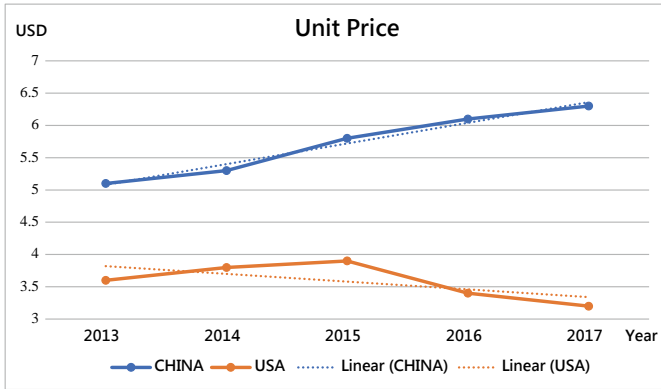
Comparing China and USA

China and USA altogether have bought 42% of exported fasteners from Korea, so comparing these two markets will be interesting.



- 1- In terms of value, China has passed USA since 2016.
- 2- The trend of both countries is positive, but the growth rate of China is higher than that of USA.
- 3- Based on these changes, China's market share became bigger than US market share in the Korean market.

- 1- In terms of quantity, USA is the biggest buyer of Korean fasteners.
- 2- The growth trends in both countries are the same and positive.



- 1- In terms of the unit price, US imported price has dropped sharply. However, China's imported price increased sharply.
- 2- Korean products allocated the concept of cheap with fair quality in the mind of US consumers, and therefore, if Koreans want to gain more consumption from the USA, they have to sell their fasteners in low prices.
- 3- Korean products allocated the concept of fair prices with high quality in the mind of Chinese consumers, but the political problems have caused some to block Korean products in the Chinese market, so it seems that Korean producers tried to compensate their exported value in this market by increasing their unit prices.

3- India, Mexico and Japan

These three countries altogether have bought 20% of the exported fasteners from Korea.

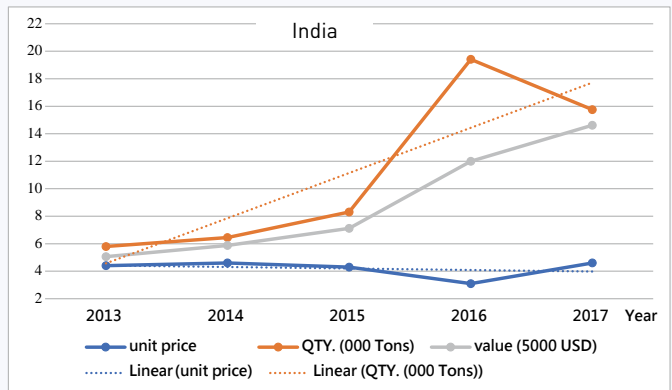
India

India is the 3rd biggest market for Korean fasteners.

- 1- It has allocated 8% of the Korean market share.
- 2- Its market value has increased by 300% since 2013 and the market of India has also become more than two times bigger since 2013.
- 3- Step by step, India has become a serious market for Korean fasteners.

India	2013	2014	2015	2016	2017
Value	25,266	29,424	35,635	59,949	73,096
Market Share	3.7%	4.0%	4.7%	6.6%	8.5%
QTY. (Ton)	5,800	6,453	8,303	19,410	15,760
Unit Prices/KG (USD)	4.4	4.6	4.3	3.1	4.6

- 1- In the Indian market the price dropped sharply in 2016, but it later increased sharply in 2017. It seems that Koreans used this strategy (i.e. reducing the price) to familiar Indian fastener users with their products, because as soon as they reduced their prices, the orders (in terms of quantity) increased by more than 200%. When they adjusted the prices to the previous level, the quantity of orders dropped by 20%.
- 2- The statistics show that Indian consumers did not know Korean products and as soon as they are familiar with Korean fasteners they became loyal consumers.

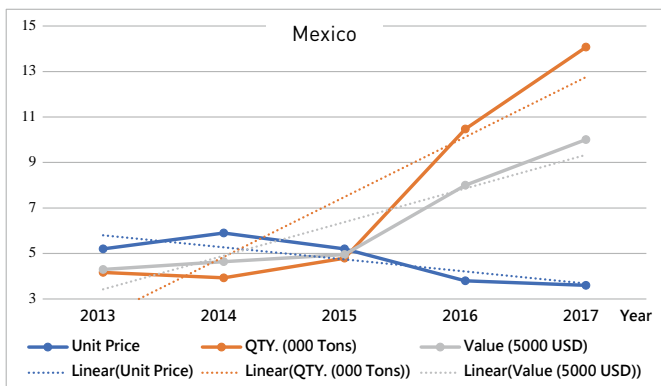


Mexico

Mexico with the imported fastener value of 50 million USD from Korea is ranked as the 4th biggest Korean customer.

- 1- Mexico's market value has become 250% bigger since 2013.
- 2- Korean sellers have dropped their product prices sharply since 2016.
- 3- By reducing the prices, both the quantity and the value of Korean products in Mexico increased sharply.

Mexico	2013	2014	2015	2016	2017
Value	21,490	23,201	24,769	39,997	50,037
Market Share	3.2%	3.1%	3.3%	4.4%	5.8%
QTY. (Ton)	4,170	3,934	4,788	10,465	14,066
Unit Prices/KG (USD)	5.2	5.9	5.2	3.8	3.6



Japan

Japan is the 5th biggest market worth 47 million USD for Korean fasteners. Japanese market gets smaller annually with a mild slip (in terms of the markets share) for Korean products.

Japan	2013	2014	2015	2016	2017
Value	48,430	54,559	46,817	47,292	47,221
Market Share	7.2%	7.4%	6.2%	5.2%	5.5%
QTY. (Ton)	13,915	15,835	14,079	13,733	14,761
Unit Prices/KG (USD)	3.5	3.4	3.3	3.4	3.2

