

Fastener Import and Export of USA in H1 2018

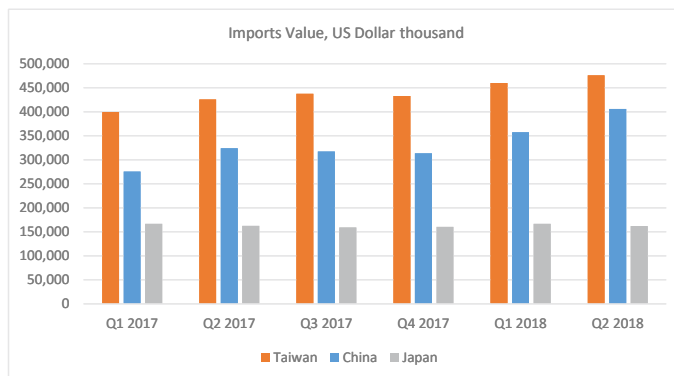
by Shervin Shahidi Hamedani

The fastener industry in the U.S creates a multi-billion dollar segment of the economy. This industry consists of a huge number of diverse companies and players including manufacturers, traders and retailers. The market demand is mostly derived from the production and development in several end-use industries such as automotive, construction, aerospace, and arms.

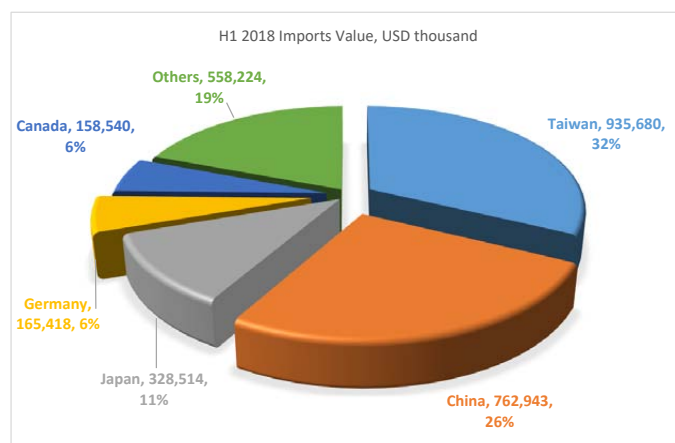
In general, U.S. industrial fasteners market comprises three main revenue streams which consist of externally threaded, aerospace grade and other standard fasteners. The largest portion of this market, which is more than half of the market share, belongs to externally threaded fasteners, while aerospace grade has the smallest but the fastest growing market size. Other standard fasteners are also expected to see significant revenue growth in the next five to ten years supported by increasing usage in several applications including medical equipment, electronics, industrial controls, furniture, and appliances. Additionally, the fastest growth in fastener sales could be found more in the construction market, as construction activity remains to grow at solid rates through 2020.

Industrial fasteners including nuts, bolts, and screws are used to join or fix two or more objects together. In this article, all the trade statistics are related to products grouped under the HS Code 7318. This group of fasteners includes screws, bolts, nuts, coach screws, screw hooks, rivets, cotters, cotter pins, washers, spring washers, and similar articles, of iron or steel (excluding lag screws, stoppers, plugs and the like, threaded).

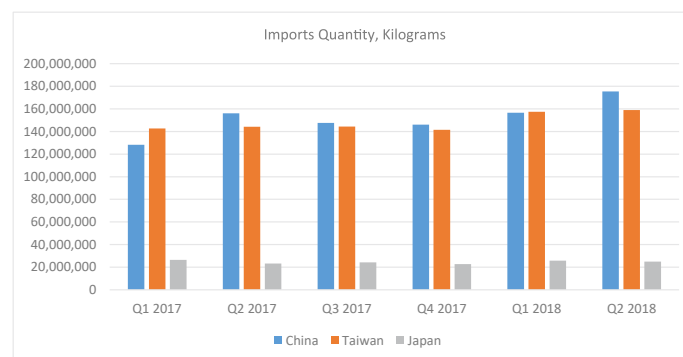
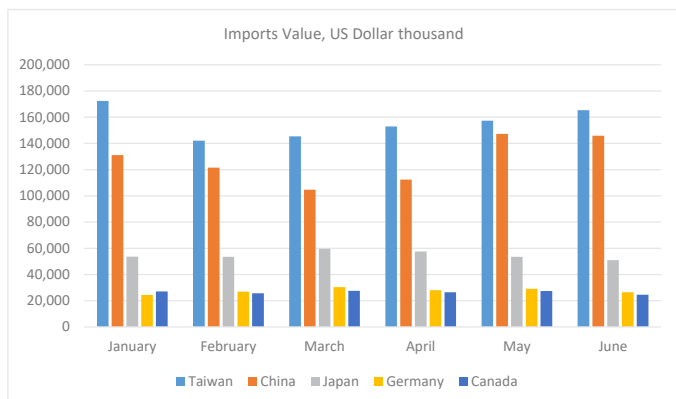
The fastener industry in the US is highly fragmented and competitive in nature with small and large scale manufacturers. The US represents about 13% of the world's imports for this group of products (HS Code 7318) and once registered its name as the world's leading importers in 2017, followed by Germany and China. Last year, US imported about USD 5.17 billion of fasteners mainly from Taiwan, China, and Japan, while the total global fastener import was about USD 40.64 billion. In the first half of this year, the import value of the US was about USD 2.91 billion, which is 14% higher than the import value of USD 2.54 billion in the same period last year. The chart below illustrates the monthly value of fastener imports shipped to the US market from its top 5 exporters in H1 2018.



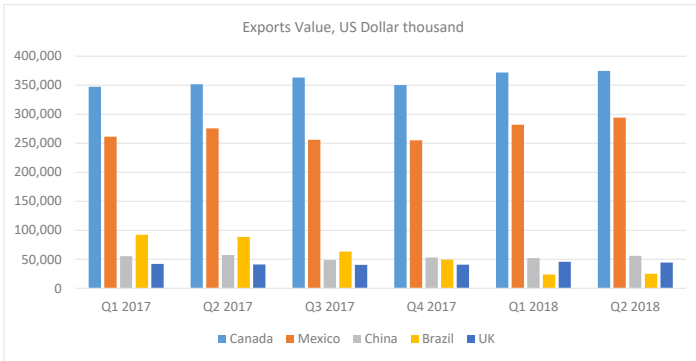
The market shares of these top five fastener exporters have been shown in the following pie chart. In regards with the value of imports, Taiwan and China are the market leaders with significant differences in their export value compared to other exporters (i.e. Japan, Germany, and Canada).



In terms of quantity, US imported about 773 thousand tons of fasteners in H1 2018 which is slightly (about 3.4%) higher than the amount of imports in H1 2017. As mentioned earlier, since the value of imports has been increased significantly in this period, it can be derived that, in the first half of this year US importers purchased more non-standards, specialized and more expensive fasteners compared to last year.

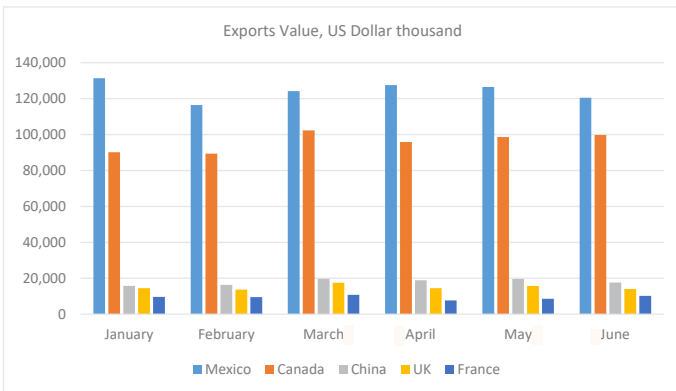


The US fastener exports in 2017 represented 11.5% of the world's exports for this group of products, making the US ranked as the third largest fastener exporter in the world. Last year, US exported about USD 4.32 billion of fasteners to the global market (specifically to Mexico and Canada). The total global fastener export was about USD 37.53 billion in 2017. In the first half of year 2018, the value of exports from the US was about USD 2.19 billion, which is slightly lower than the export value registered in H1 2017, which is about USD 2.21 billion.

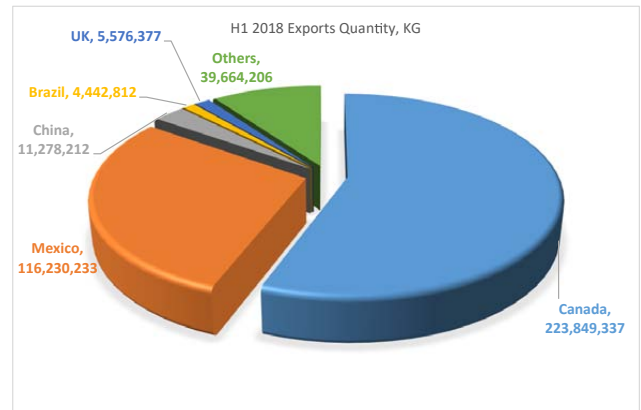
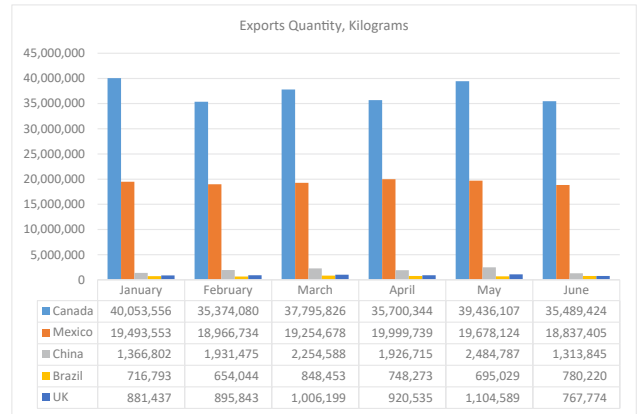
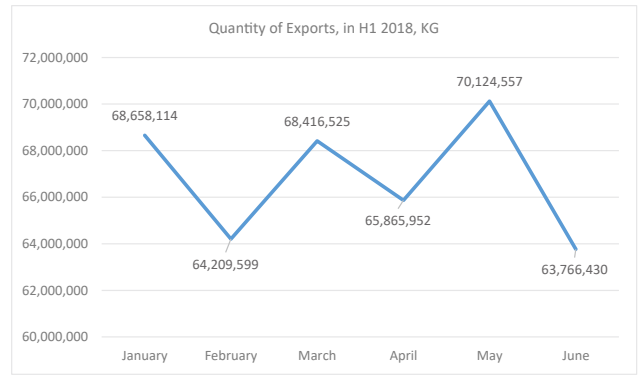


Although Brazil was one of the top three export destinations for US manufacturers last year, in 2018, the value of exports to Brazil has drastically reduced. In H2 2017, US exported about USD 113 million of fasteners to Brazil, while the value of exports in H1 2018 was about only USD 49 million.

The following bar charts illustrate the monthly values of fastener exports from US manufacturers to the global market in H1 2018.



In last few years the quantity of fastener exports from US market has experienced the steady growth. The amount of exports in 2017 was about 735K tons with the significant increase from 2016 (about 613K tons) and 250 (570K tons). In last 6 months, the total quantity of exports was about 401K tons and if the quantity of exports follows the existing growth rate, the total exports by the end of this year would be more than 800K tons, which is significantly higher than the registered exports amount in 2017. The major destinations of US fasteners exports in terms of quantity in the last six months have been shown in the right charts.



Canada and Mexico accounted for more than 80% of the share from US fastener exports revenue in the first 6 months of 2018 and it is projected to show growth on account of the increasing usage of products in the aerospace and automotive sectors over the upcoming years. Furthermore, the increasing government spending on infrastructure and machinery sectors is anticipated to support the market growth.

In summary, the US market for industrial fasteners is expected to maintain its growth levels through 2020, however, imposing 25% tariffs on steel and aluminum entering the country will have some impact on fastener trade balance in the US. Furthermore, the US is considering additional tariffs of 10% on USD 200 billion worth of Chinese exports beginning this September. After those tariffs are implemented, they would apparently influence US fasteners imports and exports. While tariffs imposed to support US manufacturing as they may make some of the domestic products relatively cheaper than imported products, they could bring big challenges for US economy as well.

Sources:

- The global industrial fasteners market, Grand View Research
- Trade statistics for international business development, ITC Trade Map