

Where to Invest?

The Asia-Pacific region (APAC) is expected to continue its dominance in the fastener market by possessing more than 40 percent of global fastener market sales. The market demand in this part of the world is growing much faster than the global average, because of the existence of India, China, Thailand, Indonesia, Malaysia and Taiwan in this region. The first four countries are the fastest growing fastener markets in the world. Therefore, this region in general and those countries in specific are potentially considered as great destinations for investment in the fastener industry. Although each of those countries may have some limitations or restrictions mainly for foreign investors, the majority of countries in this region are moving fast toward economic liberalization and opening up the investment corridors for both local and foreign investors.

Recently the global economy has been faced by the U.S. - China trade war. The US government has imposed some major restrictions on Chinese products imported to the US market, and in return, the Chinese government has executed similar restrictions to some American products imported

Guide for Global Fastener Investments for the Year 2019

by Shervin Shahidi Hamedani

to China.

The trade war would not be really a threat to investment opportunities in APAC region, nevertheless could lead to new investment opportunities in China and the region. Those American manufacturers who export their products to China may need to relocate their factories and operations to China in order to produce locally and to sell their products in one of the fastest growing consumer markets in the world. Therefore, the recent trade war is not expected to impact negatively on investment opportunities in China and the region but positively.

In addition to the Asia-Pacific region, industrialization activity in developing countries in MENA region (Middle East and North Africa) is also projected to experience strong gains. The fastener market sales in this region are still small and not comparable with the APAC region, but the investment opportunities in this region are booming. Saudi Arabia's newly launched investment plan to spend billions of dollars to revive the foreign investment in this country is a good example of investment opportunity in this region. The market in this region is not saturated and it has less competitors compared with North America and Western Europe where gains are limited by the maturity of most fastener markets.

For those who are looking for investment opportunities in Europe, Eastern Europe would be a better option than Western Europe. The manufacturing in the East is growing at a higher rate than West and it becomes a progressively more important source of fastener exports to the West European markets.

Overall, in 2019, the investment outlook in major fastener manufacturing countries (China, Taiwan, Japan, Germany and the US) is positive as sales growth is expected to be recorded again.

What are the Most Lucrative Segments?

The industrial fastener market is growing rapidly globally and it will carry on its growth in 2019 supported by the growth in automotive, construction, aerospace and fast changing industries. The investment in local production, government expenditure on infrastructure, and industrial evolution in manufacturing are continuing to witness the growth in the fastener market.

The global automotive fastener market is expected to grow next year as vehicle production is growing. The automotive fastener is the largest single market for fasteners and expected to obtain about 30 percent of the total demand in next few years. However, the expansion of substitute products and alternatives



Chang Bing Enterprise Co., Ltd.
彰濱企業有限公司

No.49, Xinggong Rd., Shengang Township, Changhua County 50971, Taiwan
Tel: 886-4-798-0619 Fax: 886-4-798-0622
E-mail: changbing@hangers.com.tw; pickandsheep@hangers.com.tw
www.cbtw.com.tw www.hangers.com.tw



- Miscellaneous Hardware
- Picture Hangers
- Pegboard Hooks
- Bolts
- Hooks



歡迎貿易商合作內外銷



such as clinching and welding in auto parts, could possibly lessen the cost of operation and therefore reduce the use of traditional fasteners.

It is highly recommended for investors who are interested in venturing into the (automotive) fastener market to look into specialized, small and light fasteners as the automotive industry is shifting its focus more toward lightweight vehicles and the increasing use of electronics in vehicles. The electric, self-driving, and connected vehicles are global trends and will potentially make the largest impact on the global fastener investment.

In 2019, it is expected to see more investment activities in the semi-permanent fastener segment, such as cotter pins, as it is projected to be the fastest growing segment of the automotive fastener market, in terms of value, and the upcoming trend in the automotive industry. Semi-permanent fasteners segment is expected to show comparatively higher growth in future due to its wide use in automobiles. It can be used in almost all components of a vehicle. A wide range of applications and advantages over permanent fasteners will boost the growth of semi-permanent fasteners in the coming years.

Although standard fasteners will still represent the majority of total market sales in 2019, the price competition in this group of fasteners is very high and the return on investment is not as lucrative as specialized fasteners such as aerospace-grade fasteners. The aerospace fastener sales will increase its market share in the future and its demand is expected to grow in 2019. This segment is projected to register its name as one of the fastest growing segments in the industrial fastener market and therefore one of the best options for the long-term industrial fastener investment. The return of investment in aerospace fasteners is much higher than standard fasteners, backed by its high barrier to entry.

Last but not least, the investment in (fastener) industry 4.0 is projected to significantly grow in 2019. Investment in new technology, which is not really new to fastener manufacturing, will continue its growth. Robotics, automation technology, data analytics, IoT, AR, and many other technologies are expected to be implemented and used more than before

in the fastener industry. All these technologies keep changing the fastener manufacturing and investments in these fields create significant competitive advantages against other players in the market. With no doubt, a significant portion of new sales growth for industrial fasteners will come from all these disruptive technologies (i.e. connected equipment, cryptocurrencies, analytical insights, etc.) not only in production but also in supply chain. Investing and embracing the new technologies could be a clear path to success for every single fastener manufacturer now and in the future. ■

Sources:

The Global Industrial Fastener Market Report, Freedonia Group Automotive Fastener Market Report, Report Buyer



東佑典實業股份有限公司(三芳)

TAIWAN NYLON WASHER CO., LTD.

台南市政安路19號 (和順工業區)
 1F, NO.19, CHENG AN RD., AN NAN DIST., TAINAN, TAIWAN
 TEL: 886-6-355 6607 886-6-251 9718 FAX: 886-6-355 7778
 E-mail: twnylon.washer@msa.hinet.net
<http://taiwannylonwasher.com.tw>
<http://www.fastener-world.com.tw/twnylon>



ISO 9001:2015



Main Products

- Nylon Washer
- Flat Washer
- Cap Nut
- Plastic Screw

Plastic Nut

- Rubber O-Ring
- Various Plastic Products

主要產品

- 尼龍華司
- 墊圈、戴帽
- 塑膠螺絲

塑膠螺帽

- 橡膠O型環
- 各類塑膠橡膠製品