



Overview of Fasteners and Fastening Tools Markets in the Middle East Countries

Foreword

The Middle East region is centered on oil-producing countries. Due to the abundant income from oil, the Middle East countries have not been affected too much during the raging pandemic, and their economic development continues to be stable, and the industrial policies are moving into "the Post Oil Era". Recently, the new Middle East (Neo Middle East) trend centered on cutting-edge technology and high-value-added industries, coupled with the green energy and carbon reduction trend, have emerged in the Middle East countries and have promoted the diversification of industrial policies, which will have a certain impact on Taiwan's fasteners and fastening tools industries. This article takes 16 countries in the Middle East region as targets, including Turkey, UAE, Saudi Arabia, Israel, Iraq, Egypt, Iran, Qatar, Oman, Kuwait, Yemen, Bahrain, Jordan, Lebanon, Syria, and Palestine, and explores the development of fasteners and fastening tools industries in the Middle East countries, and puts forward relevant suggestions and strategies.

Fastener Trade Between the Middle East Countries and the World

Import Analysis:

Table 1 shows the import trend of fasteners in Middle East countries from 2019 to 2022. **In 2022, 16 Middle East countries imported fasteners totaling USD 2.272 billion, and the CAGR of import in the recent 4 years was 8.0%. The top 3 major fastener importers in the Middle East countries were Turkey (USD 624 million), UAE (USD**

458 million), Saudi Arabia (USD 421 million), and the CAGR of the top 2 importers was about 8%, and the CAGR of Saudi Arabia, the 3rd largest importer, reached 17.1%. The share of the 16 Middle East countries in the global fastener import was only 4.2%, a bit low, however, due to the CAGR of 8%, it is still a market to which Taiwan fastener industry can pay attention.

Export Analysis:

Table 2 shows the fastener export trend of the Middle East countries from 2019 to 2022. **The top 3 Middle East countries in terms of fastener export in 2022 were Turkey (US\$804 million), UAE (US\$287 million), and Israel (US\$40 million).** The CAGR of the 16 Middle East countries in the last 4 years was about 14.8% and the CAGR of the top 3 exporting countries in the past 4 years was over 10%, among which Turkey's fastener trade value (either import or export) was the first in the Middle East countries, and the total value of fasteners exported from the Middle East countries was about US\$1.17 billion, accounting for only 2.3% of the global fastener export. Therefore, the competitiveness of local fastener manufacturers in the Middle East is not enough yet to affect Taiwanese manufacturers.

Category Analysis of Imported Fasteners in the Middle East Countries:

Table 3 shows the import trend of various fastener categories in the Middle East countries from 2019 to 2022. **The values and CAGR of fasteners imported from the world by the Middle East countries in 2022 were: US\$1.008 billion and 6.0% for other iron and steel screws and bolts, US\$ 0.296 billion and 5.2% for steel screws and nuts, and these two categories accounted for nearly 60% of the**



total Middle East's fastener import. The imported fastener categories showing the highest CAGR in the Middle East were: steel washers (27.0%) and steel self-tapping screws (13.8%), demonstrating that the overall demand for fasteners in the Middle East market was quite stable.

Table 1. Import Trend of Fasteners in Middle East Countries from 2019 to 2022

Unit: US\$0.1 bn; %

Country	2019	2020	2021	2022	Share in 2022	CAGR
Turkey	4.93	4.54	5.39	6.24	1.2%	8.2%
UAE	3.65	3.04	3.03	4.58	0.9%	7.9%
Saudi Arabia	2.62	2.76	2.89	4.21	0.8%	17.1%
Israel	1.67	1.59	1.84	2.21	0.4%	9.9%
Iraq	0.94	1.02	0.86	1.57	0.3%	18.9%
Egypt	1.39	1.14	0.97	1.11	0.2%	-7.3%
Iran	0.43	0.52	0.47	0.59	0.1%	11.0%
Qatar	0.54	0.50	0.58	0.53	0.1%	-0.6%
Oman	0.54	0.58	0.43	0.47	0.1%	-4.6%
Kuwait	0.64	0.42	0.40	0.46	0.1%	-10.4%
Yemen	0.11	0.16	0.14	0.18	0.0%	17.3%
Bahrain	0.17	0.21	0.19	0.17	0.0%	1.4%
Jordan	0.17	0.11	0.11	0.14	0.0%	-7.1%
Lebanon	0.11	0.04	0.06	0.11	0.0%	0.6%
Syria	0.13	0.16	0.07	0.10	0.0%	-9.1%
Palestine	0.03	0.03	0.04	0.05	0.0%	16.2%
Middle East Countries- Subtotal	18.06	16.79	17.48	22.72	4.2%	8.0%
Other Countries	409.38	366.46	465.81	512.34	95.8%	7.8%
Global- Total	427.44	383.26	483.28	535.06	100.0%	7.8%

Source: ITC

Note: Taiwan Central Bank's average exchange rate of USD to NTD in 2023 (based on 1 USD to 31.15 NTD)

Table 2. Fastener Export Trend of the Middle East Countries from 2019 to 2022

Unit: US\$0.1 bn; %

Country	2019	2020	2021	2022	Share in 2022	CAGR
Turkey	4.87	4.46	6.46	8.04	1.6%	18.2%
UAE	2.11	2.04	2.19	2.87	0.6%	10.8%
Israel	0.29	0.27	0.32	0.40	0.1%	10.2%
Saudi Arabia	0.25	0.09	0.13	0.20	0.0%	-8.2%
Iran	0.03	0.04	0.07	0.07	0.0%	29.7%
Egypt	0.06	0.04	0.04	0.04	0.0%	-15.7%
Oman	0.04	0.04	0.04	0.02	0.0%	-18.0%
Bahrain	0.02	0.02	0.03	0.02	0.0%	2.4%
Kuwait	0.01	0.02	0.01	0.01	0.0%	14.3%
Palestine	0.00	0.00	0.01	0.01	0.0%	130.3%
Lebanon	0.01	0.01	0.01	0.01	0.0%	0.6%
Jordan	0.01	0.01	0.01	0.01	0.0%	6.1%
Iraq	0.00	0.00	0.00	0.00	0.0%	24.8%
Syria	0.00	0.00	0.00	0.00	0.0%	-3.3%
Yemen	0.01	0.00	0.00	0.00	0.0%	-100.0%
Middle East Countries- Subtotal	7.72	7.04	9.30	11.70	2.3%	14.8%
Other Countries	392.83	361.64	452.43	492.75	97.7%	7.8%
Global- Total	400.55	368.69	461.73	504.45	100.0%	8.0%

Source: ITC

Fastening Tools Trade Between the Middle East Countries and the World:

Import Analysis:

Table 4 shows the import trend of fastening tools of the Middle East countries from 2019 to 2022. In 2022 the value of fastening tools imported from the global market by the Middle East countries was US\$ 383 million (about NT\$ 11.93 billion), and the CAGR of import in the recent 4 years was about 18.5%. The values and CAGR of the top 3 importing countries in order were: Saudi Arabia (US\$145 million, 67.8%), Turkey (US\$64 million, 16.7%), and UAE (US\$63 million, 11.1%). Although the values and shares in the global total import of the top 3 fastening tools importers in the Middle East were not high, the CAGR of the last 4 years reached 18.5%, showing a steady demand growth.

Export Analysis:

Table 5 shows the trend of fastening tools export from the Middle East countries in 2019-2022. The export value of fastening tools from the Middle East countries was about US\$189 million in 2022, and the



Table 3. Import Trend of Various Fastener Categories in the Middle East Countries from 2019 to 2022

Unit: US\$0.1 bn, %

HS Code	Product Category	2019	2020	2021	2022	Share in 2022	CAGR
731815	Other Iron and Steel Screws and Bolts	8.46	8.01	8.21	10.08	1.9%	6.0%
731816	Iron and Steel Nuts	2.54	2.32	2.40	2.96	0.6%	5.2%
731829	Other Iron and Steel Non-threaded Articles	1.44	1.39	1.33	1.61	0.3%	3.7%
731822	Other Iron and Steel Washers	1.14	1.06	1.09	2.33	0.4%	27.0%
731819	Other Iron and Steel Threaded Articles	1.94	1.52	1.65	2.34	0.4%	6.6%
731814	Iron and Steel Self-tapping Screws	0.98	0.90	1.10	1.44	0.3%	13.8%
731824	Iron and Steel Pins and Cotter Pins	0.58	0.56	0.62	0.70	0.1%	6.4%
731821	Iron and Steel Springs and Lock Washers	0.36	0.39	0.39	0.45	0.1%	7.9%
731823	Iron and Steel Rivets	0.21	0.23	0.28	0.29	0.1%	12.2%
731812	Other Iron and Steel Wood Screws	0.20	0.17	0.18	0.25	0.0%	6.7%
731811	Iron and Steel Automotive Screws	0.12	0.11	0.10	0.10	0.0%	-5.8%
731813	Iron and Steel Screws Hooks and Screw Rings	0.09	0.12	0.12	0.16	0.0%	21.5%
Middle East Countries- Fastener Import- Subtotal		18.06	16.79	17.48	22.72	4.2%	8.0%
Global- Fastener Import-Total		427.44	383.26	483.28	535.06	100.0%	7.8%

Source: ITC

Table 4. Import Trend of Fastening Tools of the Middle East Countries from 2019 to 2022

Unit: US\$0.1 bn, %

Country	2019	2020	2021	2022	Share in 2022	CAGR
Saudi Arabia	0.31	0.36	0.37	1.45	1.7%	67.8%
Turkey	0.40	0.44	0.55	0.64	0.7%	16.7%
UAE	0.46	0.43	0.64	0.63	0.7%	11.1%
Iraq	0.28	0.33	0.30	0.31	0.4%	4.1%
Israel	0.25	0.23	0.28	0.31	0.4%	8.2%
Egypt	0.23	0.13	0.12	0.12	0.1%	-18.9%
Iran	0.07	0.05	0.06	0.10	0.1%	11.7%
Oman	0.05	0.05	0.04	0.06	0.1%	8.0%
Qatar	0.06	0.07	0.07	0.05	0.1%	-4.4%
Kuwait	0.07	0.05	0.05	0.05	0.1%	-11.1%
Yemen	0.03	0.05	0.04	0.03	0.0%	0.9%
Bahrain	0.02	0.02	0.02	0.03	0.0%	11.6%
Jordan	0.02	0.02	0.03	0.02	0.0%	-0.6%
Lebanon	0.02	0.01	0.01	0.01	0.0%	-14.5%
Palestine	0.01	0.01	0.01	0.01	0.0%	10.2%
Syria	0.04	0.02	0.01	0.01	0.0%	-38.4%
Middle East Countries- Subtotal	2.30	2.24	2.59	3.83	4.5%	18.5%
Other Countries	71.43	64.66	82.07	82.22	95.5%	4.8%
Global- Total	73.74	66.90	84.66	86.05	100.0%	5.3%

Source: ITC

CAGR of export in the last 4 years was 34.3%. The top 3 fastening tools exporting Middle East countries were Saudi Arabia (US\$86.355 million), UAE (US\$47.65 million), and Turkey (US\$26.651 million). The CAGR of export from the top 3 exporting countries was over 10% in the last 4 years, among which the export value of Saudi Arabia showed a high growth rate, which was estimated to be caused by the reconstruction or repair demand of the major fastening tools exporting countries due to the U.S.-China trade war and the war in the Middle East region. The export of the Middle East countries' fastening tools only accounted for 2.4% of the global export market; and therefore, the competitiveness of local fastening tools manufacturers in the Middle East has not yet affected their Taiwanese counterparts.

Table 5. Trend of Fastening Tools Export from the Middle East Countries in 2019-2022

Unit: US\$10,000, %

Country	2019	2020	2021	2022	Share in 2022	CAGR
Saudi Arabia	135.2	151.9	314.1	8635.5	1.1%	299.7%
UAE	2885.6	2624.1	3349.4	4765	0.6%	18.2%
Turkey	1807.9	1677.5	2138.6	2665.1	0.3%	13.8%
Israel	2735	2485.8	2827.7	2469.9	0.3%	-3.3%
Oman	92.8	118.5	141.2	193.2	0.0%	27.7%
Bahrain	32.8	60.9	50.6	62.1	0.0%	23.7%
Egypt	0.1	13.2	13.4	51.6	0.0%	702.1%
Lebanon	12.7	38.2	43.9	20.5	0.0%	17.3%
Kuwait	67.3	48.4	29.5	19.6	0.0%	-33.7%
Palestine	6.9	9.8	4.2	4.1	0.0%	-15.9%
Iraq	1.2	1.3	2.2	2.2	0.0%	22.4%
Iran	11.6	3.1	0.8	2.1	0.0%	-43.4%
Jordan	0.7	2.9	13.5	1.1	0.0%	16.3%
Syria	0	0.5	0.5	0.4	0.0%	N/A
Yemen	1.7	0	0	0	0.0%	-100.0%
Middle East Countries- Subtotal	7791.5	7236.1	8929.6	18892.4	2.4%	34.3%
Other Countries	673777.2	631670.9	791663.8	783928.4	97.6%	5.2%
Global- Total	681568.7	638907.0	800593.4	802820.8	100.0%	5.6%

Source: ITC

Table 6. Trend of Import of Fastening Tools of the Middle East Countries from 2019 to 2022

Unit: US\$0.1 bn, %

HS Code	Product Category	2019	2020	2021	2022	Share in 2022	CAGR
820790	Other Interchangeable Tools	0.98	0.92	1.17	2.16	2.5%	30.3%
820411	Non-adjustable Hand-operated Wrenches and Spanners	0.51	0.44	0.50	0.64	0.7%	7.8%
820420	Interchangeable Socket Wrenches	0.29	0.35	0.38	0.43	0.5%	13.9%
820540	Screwdrivers	0.27	0.27	0.28	0.30	0.3%	2.5%
820412	Adjustable Hand-operated Wrenches and Spanners	0.25	0.26	0.26	0.31	0.4%	6.9%
Middle East Countries- Fastener Import- Subtotal		2.30	2.24	2.59	3.83	4.5%	18.5%
Global Countries- Fastener Import- Total		73.74	66.90	84.66	86.05	100.0%	5.3%

Source: ITC

Category Analysis of Imported Fastening Tools of the Middle East Countries:

Table 6 shows the trend of import of fastening tools of the Middle East countries from 2019 to 2022. The import values and CAGR of fastening tools from the world by the Middle East countries in 2022 in order were: other interchangeable tools (US\$216 million, 30.3%) and non-adjustable hand-operated wrenches and spanners (US\$64 million, 7.8%), and the share of these two categories exceeded 70% of the total; the categories with the highest import CAGR were: other interchangeable tools (30.3%) and interchangeable wrench sockets (13.9%), showing that the future demand for fastening tools in the Middle East market is promising.

Middle East Countries with Potential Market Demand for Fasteners and Fastening Tools

Table 7 shows the fastener import values the Middle East countries with the market potential imported from Taiwan in 2022 and the rankings; in terms of the fastener category, Taiwan ranked third in Saudi Arabia's fastener imports, however, Taiwan only ranked 7th in Turkey which means other competitors still dominate the major fastener market of Turkey;

in terms of the fastening tools category, Taiwan ranked 2nd in UAE's fastening tools import and ranked 3rd in Turkey's import, but Taiwan only ranked 7th in Saudi Arabia's import and the value was not high. Fastening tools are Taiwan's export strength, and there should be room for Taiwanese companies to continue to develop and expand in Saudi Arabia.

Table 7. The Fastener Import Values the Middle East Countries with the Market Potential Imported from Taiwan in 2022 and the Rankings				
				Unit: US\$10,000;%
Country	Value of Fasteners Imported from Taiwan	Taiwan's Ranking in Its Import	Value of Fastening Tools Imported from Taiwan	Taiwan's Ranking in Its Import
Saudi Arabia	3,625	3	357	7
Turkey	3,260	7	940	3
UAE	1,988	7	946	2

Source: ITC

a. Turkey

Turkey is the world's 19th largest economy, spanning the continents of Asia and Europe and surrounded by the sea on three sides with excellent geographical advantages. The automotive industry is its main industry with potential fastener demand. Turkey is the center of the automotive manufacturing industry in the Middle East region, with great potential for exports. Turkey's automotive components manufacturing industry has attracted lots of foreign investors, most of which are top companies having formed joint ventures with Turkish companies, followed by the security equipment industry, including electronic security equipment, security locks and spare parts, steel doors, safes, etc. In terms of national policies, **Turkey's 11th Five-Year Development Plan selects chemicals, pharmaceuticals and medical materials, electronics, machinery and electrical equipment, automobiles and rail vehicles as priority industries**, in addition to solar renewable energy, wind power, etc. These priority industries are all the potential areas of concern for Taiwan fastener industry.

b. Saudi Arabia

According to the Swiss Global Competitiveness Survey, Saudi Arabia ranks 24th in global competitiveness and 7th in G20. Thanks to its oil revenues, Saudi Arabia's economic growth in 2022 reached 7.6%, the highest among the G20. **In terms of potential demand for fasteners, the main demand is from the construction industry.** The Saudi government has put forward large-scale construction projects, including NEOM New Future City, Qiddiyah Entertainment City, the Red Sea Program, the National Industrial Development and Logistics Program, and housing finance policies; in addition, the private construction contracting market will reach US\$75 billion in 2024 and grow at an annual rate of more than 4%. In terms of national policies, in addition to the aforementioned large-scale government projects, there are also the Vision 2030 program and green energy policies such as solar power and wind power, all of which are areas that Taiwan fastener industry can gain a deeper understanding of.

c. UAE

UAE has experienced significant economic growth in recent years and has become the largest trade center in the Middle East. The government's economic decisions, public investment and infrastructure have created a favorable business and investment environment that has attracted many foreign investments. In terms of potential demand for fasteners, UAE is the largest consumer of steel in the six Gulf States, with steel consumption growing at a CAGR of 8% in recent years, including government and private construction demand and steel pipes for oil and gas. In terms of national policies, **UAE will establish Dubai Future District, including Dubai World Trade Center, Allianz Towers and Dubai International Financial Center, which will drive the demand for fasteners in the related construction industry** and will become the largest economic development zone in the Middle East.

Conclusion

In recent years, due to global warming, the Middle East countries have started the trend of "decoupling from oil", which has led to new environmental protection policies such as decarbonization, carbon neutrality, and net-zero emissions, and further transforming energy sources into nuclear power generation. The "Neo Middle East" that the Middle East countries are pursuing is mainly to strive for the development of the manufacturing industry and the protection of the growth base of the national industries, including space and aerospace, defense industries, food processing, automotive components, machinery, etc. In addition, the accelerated construction of renewable energy sources such as hydrogen, nuclear power generation, digital transformation and innovation, smart cities, and agricultural construction will inevitably drive the peripheral demand for fasteners and fastening tools.

- a. The economic transformation of the Middle East has led to business opportunities for fastener related products: In recent years, the Middle East countries have been accelerating their policy of moving away from oil and industrial diversification in order to reduce their dependence on oil, which should significantly increase the market opportunities for fasteners and fastening tools.
- b. Expanding the market of fastener-related products by holding industry talks: Through summit talks and industry forums to assist Taiwanese fasteners and fastening tools industries in increasing the opportunity of expanding the Middle East market, and carry out practical cooperation and exchanges in the fields of energy, national defense, biotechnology, digital transformation, and intelligent agriculture.
- c. Joint participation of state-owned enterprises in the Middle East's industrial diversification mechanism: In order to develop a diversified Middle East market, it is suggested that state-owned enterprises, together with Taiwanese fasteners and fastening tools industries, can participate in the understanding of the Middle East's industries, and establish a bilateral communication approach for the Middle East by combining the cooperation between the public and the private sector, in order to strive for industrial exchanges and market development and sales. □

