

2025 Outlook for the South American Fastening Tool Market

2025南美緊固工具市場展望

Introduction



As of 2025, South America is home to an estimated 445.9 million people, reflecting a steady annual growth rate of approximately 0.69% from the previous year. This population accounts for about 5.47% of the global populace, with a density of roughly 24.56 individuals per square kilometre. Economically, the continent's performance has been modest. In 2024, the combined Gross Domestic Product (GDP) of Latin America and the Caribbean was projected to reach approximately 2.4 trillion USD, with Brazil contributing the largest share at an estimated 2.4 trillion USD. The region's GDP growth rate for 2024 was estimated at 1.9%, the lowest among global regions, highlighting persistent structural challenges. Projections for 2025 indicate a slight improvement, with the growth anticipated to accelerate to 2.6%.

Despite these modest growth rates, certain countries have demonstrated resilience. For instance, Argentina experienced a significant economic boost in January 2025, with activity increasing by 6.5% compared to the same month of the previous year, marking the highest year-on-year growth since mid-2022. Nonetheless, the overall economic landscape of South America remains complex, influenced by a myriad of factors including political shifts, global market dynamics, and internal policy decisions.

The South American fastening tool market is poised for steady growth in 2025, supported by ongoing infrastructure projects, the expansion of the automotive sector—particularly in key economies like Brazil and Argentina—and advancements in manufacturing technologies. This growth aligns with the region's anticipated GDP recovery, projected to reach 2.6% in 2025, despite broader economic challenges.

Market Overview



In 2025, the South American assembly fastening tools market is projected to reach a valuation of approximately 133.54 million USD, accounting for about 4% of the global market share. The market is expected to grow at a compound annual growth rate (CAGR) of 6.3% from 2025 to 2033.

Country-Specific Insights

- **Brazil:** The Brazilian market is anticipated to be valued at 57.15 million USD in 2025, with a CAGR of 6.3%. This growth is largely attributed to the country's focus on infrastructure development and the expansion of the oil and gas sector.



* Brazil's emphasis on infrastructure development and the expansion of its oil and gas sector has significantly boosted the demand for fastening tools, essential components in construction and industrial applications. The government's Growth Acceleration Program (PAC) has allocated approximately 70 billion USD for efficient and sustainable transport projects, including highways, railways, ports, and airports, with highways and roads receiving 37 billion USD and railways 18.8 billion USD. These large-scale infrastructure endeavours necessitate substantial quantities of fastening tools for assembling structures and machinery.



* Concurrently, Brazil's oil and gas industry is set to receive over 122 billion USD in investments between 2025 and 2029, primarily targeting offshore production in the Campos and Santos Basins. This surge in exploration and production activities further amplifies the need for specialized fastening



solutions capable of withstanding the demanding conditions of offshore operations. Reflecting these developments, Brazil's mining and oil & gas fasteners market is projected to grow at a compound annual growth rate (CAGR) of 5.6%, reaching a revenue of 119.9 million USD by 2030. This growth underscores the critical role of fastening tools in supporting Brazil's ambitious infrastructure and energy sector expansions.

- **Argentina:** Projected to reach 22.43 million USD in 2025, the Argentine market is expected to grow at a CAGR of 6.6%. The country's automotive industry plays a significant role in driving this demand.

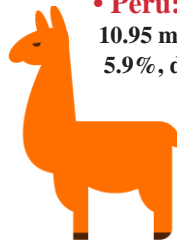
* Argentina's automotive industry is a pivotal contributor to the nation's economy, accounting for 3% of the Gross Domestic Product (GDP), 10% of industrial production, and 10% of total exports in 2023. In that year, the sector produced approximately 610,700 motor vehicles, marking an 8.1% increase from the previous year. This growth trajectory continued into early 2025, with vehicle production reaching 72,477 units in the first two months, reflecting a 20.5% rise compared to the same period in 2024. Such robust production levels necessitate a substantial supply of fastening tools, essential for assembling various vehicle components. The industry's reliance on over 200 auto parts companies underscores the critical role of fastening solutions in ensuring the structural integrity and safety of vehicles. Furthermore, with exports exceeding 8 billion USD annually, primarily to regional markets like Brazil, Chile, and Colombia, the demand for high-quality fastening tools remains integral to maintaining Argentina's competitive edge in automotive manufacturing.



- **Colombia:** With an estimated market size of 11.89 million USD in 2025, Colombia is set to experience a CAGR of 5.5%, supported by ongoing infrastructure projects and industrial growth.



* Colombia is making significant strides in infrastructure development and industrial growth, with substantial investments aimed at enhancing its transportation networks and energy sectors. The government has committed over 24.9 billion USD to more than 31 projects, including the reactivation of 1,800 kilometres of railway networks, construction of 15 highway projects, modernization and expansion of five airports, and strengthening of river and port systems. Notably, the El Dorado Máximo Desarrollo (EDMAX) project is set to transform Bogotá's El Dorado Airport by 2035, doubling the passenger terminal area and increasing cargo capacity by 14%, aiming to accommodate up to 73 million passengers annually by 2050. In the energy sector, Ecopetrol, Colombia's state-run energy company, plans to invest between 500 million and 700 million USD to construct a Sustainable Aviation Fuel (SAF) production plant at the Barrancabermeja refinery, expected to produce approximately 6,000 barrels of SAF daily by 2030. These initiatives not only bolster Colombia's infrastructure and industrial landscape, but also drive demand for fastening tools, essential for the assembly and maintenance of transportation systems and energy facilities.



- **Peru:** The Peruvian market is forecasted to reach 10.95 million USD in 2025, growing at a CAGR of 5.9%, driven by investments in construction and mining sectors.

* Peru's economic landscape in 2025 is significantly bolstered by robust investments in both the construction and mining sectors. The nation's mining portfolio has expanded to encompass 68 projects, collectively valued at 62.6 billion USD, with 17 new initiatives contributing an additional 8 billion USD. Notably, major projects such as Tía María, Zafranal, and Pampa de Pongo are anticipated to commence construction within the year, signaling a vigorous advancement in mining activities. This surge in mining endeavors is expected to elevate mineral exports, which have already experienced a 28% increase at the onset of 2025, thereby amplifying the demand for construction services and associated infrastructure. In parallel, the construction industry is projected to grow by 5.1% in real terms in 2024, driven by private investments in mining and public expenditure on transport and energy infrastructure projects. These developments underscore a synergistic relationship between the mining and construction sectors, collectively fostering economic growth and enhancing Peru's industrial landscape.



Last Words

- **Emerging Trends in Fastening Technologies**

* As the industry evolves, manufacturers are increasingly integrating automation and smart technologies into their production processes. Advanced fastening tools featuring precision engineering, automated tightening mechanisms, and real-time monitoring capabilities are becoming more prevalent. These innovations enhance efficiency, reduce errors, and improve safety in industrial applications. Additionally, companies are investing in research and development to create fastening solutions tailored to the specific needs of South America's expanding construction, automotive, and energy sectors.

- **Emphasis on Sustainable Fastening Solutions**

* Environmental sustainability is becoming a priority for manufacturers and consumers alike. The fastening tool market is witnessing a shift toward eco-friendly solutions, including the use of recyclable materials and energy-efficient production methods. Companies are also exploring biodegradable coatings and advanced surface treatments to reduce environmental impact without compromising performance. As governments across South America implement stricter environmental regulations, businesses that prioritize sustainability will likely gain a competitive advantage in the market.

- **Market Outlook for 2025**

* Despite existing challenges, the South American fastening tool market is positioned for strong growth in 2025. Infrastructure expansion, automotive sector advancements, and increased investment in industrial manufacturing are key drivers of demand. While raw material price fluctuations and counterfeit products pose risks, the adoption of advanced technologies and sustainable practices will help stabilize and strengthen the industry. By embracing innovation and regulatory improvements, manufacturers and distributors can capitalize on the region's growing demand for high-quality fastening solutions. █

