

# Analyzing the Impact of Trump's Tariffs on Mexico's Fastener-Related Industries

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## Why "Fastener-related" Matters

Fasteners may be small in size, but they are fundamental to modern manufacturing. They hold together the skeleton of a car, secure battery packs, keep washing machines and refrigerators intact, and join the complex structures of aircraft and engines. A single product can require thousands of fasteners, each playing a precise role.

While the cost of fasteners in an automobile represents only about 2–3% of the total body value, their impact goes far beyond their price tag. Production speed, defect rates, product reliability, and even warranty costs often depend on these components. As Fastener World Inc. points out, fasteners are practically invisible to consumers but indispensable to manufacturers' efficiency and profitability.

Tariffs have two distinct channels of impact:

1. **Direct:** a 50% duty on fasteners (HS 7318) shipped from Mexico to the U.S.
2. **Indirect:** a 30% duty on everything that contains fasteners—cars, parts, appliances, aerospace components— assembled in Mexico and exported north.

Because Mexico is deeply integrated into U.S. supply chains, the indirect channel is by far the larger economic lever.

## Mexico's Fastener Trade Footprint (the Direct Channel)

Let's size the direct exposure first. **In 2024, Mexico exported about US\$315.5 million of iron & steel fasteners (HS 7318) worldwide, with roughly US\$266.5 million going to the United States.** In the same year, Mexico imported US\$2.90 billion of iron & steel fasteners—making it the 3rd largest fastener importer globally—with the United States being its top supplier at US\$1.40 billion. Mexico is, in other words, a net importer of fasteners to feed its factories.

川普對墨西哥關稅對扣件相關產業影響



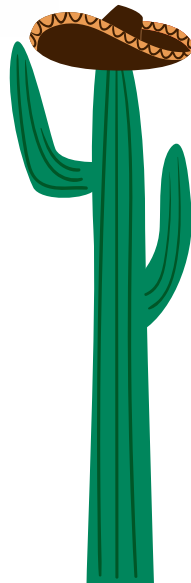
Global context helps. The world traded about US\$49.8 billion in iron fasteners in 2024; the United States was the largest importer (~US\$7.05 billion). So the direct, Mexico-origin sliver of U.S. fastener supply is modest relative to total U.S. fastener imports, but it is highly tailored to North American manufacturing needs and standards (OEM prints, PPAP'd parts, just-in-time delivery). Disrupting that specialized flow would punch above its weight in terms of production headaches.

## Immediate direct effects of a 50% duty on HS 7318 from Mexico:

- Price jump on Mexico-origin fasteners in the U.S.: Empirical work on the 2018 tariff wave found near-full pass-through of import tariffs to U.S. domestic prices, meaning most of the duty showed up as higher prices for U.S. buyers, not lower foreign prices. Expect a similar dynamic here: U.S. buyers would pay close to ~50% more for affected Mexico-origin fasteners until they re-source.

- Scramble to re-source: Mexican-tooled fasteners are often engineered, audited, and qualified for specific assembly steps. Switching to non-Mexican supply (U.S., Taiwan, China, EU) isn't instantaneous—especially for critical fasteners and safety-related joints—inviting delays and premium freight.

However, because **Mexico exports far fewer fasteners than it imports, the direct, tariff-on-fasteners channel is numerically smaller than the indirect, tariff-on-everything-with-fasteners channel.**



## The Indirect Channel: Tariffs on Mexico's Fastener-heavy Exports

### Automotive: the Big Domino

No industry in Mexico is more fastener-intensive (by value and complexity) than automotive. Mexico produced roughly 4.0–4.2 million vehicles in 2023–2024, among the top five producers globally, and exports the bulk to the U.S.

On the components side, estimates put Mexico's auto-parts production value at ~US\$122–127 billion in 2024, with the U.S. the destination for ~85–90% of exports. Through early 2025, Mexico shipped US\$42.2 billion in auto parts just in the first five months (87% to the U.S.). Even with recent softness, **H1 2025 auto exports to the U.S. were ~US\$22.1 billion for finished vehicles and US\$40.7 billion for parts.**

A 30% tariff on Mexican autos and parts landing in the U.S. would therefore cover tens of billions of dollars of highly fastener-dense goods per year. Automakers have already warned that broad tariffs would ratchet up U.S. vehicle prices and disrupt integrated supply chains; a 30% rate would intensify that effect.

### Home Appliances: Mexico is a North American "White Goods" Powerhouse

Mexico is a major exporter of refrigerators, freezers, washers, dryers, ovens, and related components to the U.S. In 2024, Mexico shipped about US\$9.46 billion in home appliances to the U.S., second only to China. Refrigerators alone accounted for ~US\$7.25 billion of Mexico's 2023 exports (with US\$6.38 billion to the U.S.).

A 30% duty would thus sweep across an US\$8–10 billion stream of fastener-intensive goods. Cabinet frames, compressors, doors, hinges, racks, and internal subassemblies rely on thousands of fasteners per product family, many bought on contract schedules months in advance.

- U.S. retail price pressure on mid-market fridge/freezer/washer/dryer lines built in Mexico.

- Production juggling by multinationals with plants in both Mexico and the U.S. (and sometimes Asia). Short-term, shifting production isn't trivial due to tooling and supplier footprints; medium-term, companies can rebalance SKU.

### Aerospace: Smaller in Value Than Autos, But High Complexity

Mexico's aerospace industry—concentrated in Querétaro, Baja California, Sonora, Chihuahua, and Nuevo León—employs ~50–60k workers directly and has exports around the US\$10.7 billion mark in 2025. It is highly fastener-intensive, governed by rigorous certification of every bolt and rivet.

A 30% tariff would bite in two places :

- Airframe subassemblies and machined components shipped to U.S. primes (higher landed cost, potential schedule slips if re-sourcing is required).



- Aerospace-grade fasteners (if Mexico-origin and exported to the U.S.)—a smaller dollar amount than autos/appliances but often zero-defect, qualification-heavy parts where switching suppliers is slow.

### How Much of the Tariff Shows up as Higher Prices?

The 2018–2019 research record is instructive. **Multiple studies found that U.S. import tariffs were largely passed through to domestic prices; foreign exporters did not significantly cut prices to offset duties, and U.S. consumers and downstream firms bore the cost.** Using that empirical lens, a 30% tariff on Mexico-origin goods would, absent carve-outs, materially raise costs for U.S. buyers (OEMs, retailers, consumers) while compressing Mexican manufacturers' volumes and margins as price elasticity bites. Short-run pass-through is typically highest where qualification and tooling are specific (think: automotive safety-critical fasteners, aerospace hardware) and where inventory buffers are thin. Over 12–24 months, expect partial re-sourcing to the U.S., Canada, Asia, or Europe—though that introduces its own constraints (capacity, lead times, and new-supplier approvals).

### Bottom line

- **Direct exposure (fasteners themselves): Moderate.** Mexico exports <US\$200 million in fasteners to the U.S. annually, so the tariff's direct hit to U.S. fastener supply is measurable but not system-sized. However, those parts are often highly engineered, and swapping sources quickly is hard.

- **Indirect exposure (everything that uses fasteners): Very large.** The tariff would fall on US\$10s–US\$100s of billions in Mexico-made vehicles, parts, appliances, and aerospace goods—sectors where fasteners are ubiquitous and switching costs are high. Expect price increases for U.S. buyers, volume pressure for Mexican plants, and a multi-year re-sourcing grind.

- **Pass-through:** History says the tariff cost largely lands on U.S. customers (consumers and downstream manufacturers), at least in the short run. Mexico's factories take the hit via demand reductions and margin squeezes, especially in price-sensitive product tiers.

If a 30% tariff materialized and stayed broad, the most likely end-state is not a clean re-shoring of everything to the United States, but rather a patchwork: some dual-sourced fasteners, some SKU shifts among North American plants, higher inventory buffers, and incrementally higher prices for U.S. autos and appliances. For Mexico, the fastener-related economy would remain intertwined with U.S. demand but would be forced into defensive investments (qualification of more non-U.S. suppliers, added logistics, and working capital), trimming the very efficiency advantages that made North America's integrated manufacturing so competitive in the first place. ■