



Challenges of Canadian Fastener-related Industries Facing Trump's Tariff Measures

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Article by Dr. Sharareh Shahidi Hamedani,
UNITAR International University

Background — What the Tariffs are and Why They Matter to Fasteners

In 2018 and again in the 2020s, the U.S. administration has applied tariffs on steel and aluminium imports using Section 232 (national security) and other trade tools. The 2018 measures (25% on many steel products, 10% on aluminium) produced immediate upstream price effects; more recent reinstatements and announced increases (e.g., moves to 25% and later up to 50% for all origins excluding the UK) have renewed uncertainty across North American supply chains. The U.S. government has explicitly framed these actions as protecting domestic metals production, with fact sheets and executive actions issued in 2025 reiterating and expanding such tariffs.

Many fasteners use commodity steel coil or bar stock as primary inputs and are either produced domestically in Canada or imported finished products from the U.S., Mexico, Europe and Asia. Even when final fastener goods are Canadian-made, their raw material inputs and price competitiveness are sensitive to cross-border tariffs on steel and aluminium.

How Tariffs Transmit to Fastener Producers — the Mechanics

There are multiple transmission channels through which U.S. tariffs on metals affect Canadian fastener firms.

1. Upstream Input-cost Shock

Tariffs on steel and aluminium raise the landed cost of raw materials that either come indirectly through U.S. supply chains or through broader global price ripples. Even if Canadian fastener manufacturers source steel domestically, market prices for plate, coil and bar stock are internationally linked. The United States is a major metals market; policy-driven price changes there affect global spreads and the cost basis for Canadian mills and service centres. The USITC (United States International Trade Commission) and other modelling studies show **downstream industries face higher production costs when upstream tariffs increase.**¹

¹ https://www.usitc.gov/publications/332/pub5405.pdf?utm_source=chatgpt.com

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2. Trade Diversion and Competitive Displacement

Tariffs distort trade flows. When the U.S. erects tariffs, suppliers redirect exports elsewhere or source alternative suppliers. That can mean U.S. buyers—formerly purchasing Canadian finished fasteners—seek different sources, or Canadian fastener exporters find markets more constrained. Conversely, tariff differentials can make imported finished fasteners from third countries relatively more or less attractive compared to domestic production, changing competitive dynamics for Canadian plants and distributors.^{2&3}

3. Supply-chain Friction and Lead-time Volatility

Tariffs often come with sudden compliance, paperwork and certification changes. **Firms respond with altered inventories, port congestion, and greater demand for domestic supplier qualification**—all of which add cost and slow production cycles.⁴

4. Demand Shock and Project Delays

Higher component costs cascade into higher construction, automotive and equipment prices — sectors that consume fasteners heavily. **When metal price pressures appear, customers may delay capital projects or seek lower-specification alternatives, suppressing demand for higher-value or specialty fasteners.** Broad macro analyses and surveys of Canadian businesses show rising uncertainty and anticipated impacts on sales when tariffs are in play.⁵

Quantifying Exposure: What the Numbers Say

• Number of Businesses

As of 2025, there are 822 fastener suppliers (distributors + wholesalers + service providers + manufacturers) operating across Canada—including manufacturing and distribution—highlighting the sector's breadth. Major concentrations are found in Ontario (about 335 suppliers), Alberta (132), British Columbia (118), and Quebec (100)⁶

• Domestic Manufacturing Scale

The screw, nut, and bolt manufacturing generates approximately USD 1.1 billion in annual revenue as of 2024–2025, with about 107 manufacturing businesses and an employment base of roughly 3,587 people.⁷

• Broader Fastener Market

Considering industrial fasteners—including plastic and other categories—the market is even larger: Canada's fastener market reached USD 1.983 billion in revenue in 2024 and is projected to grow at a CAGR of 4.4%, reaching USD 2.561 billion by 2030.⁸ One forecast report is even more bullish: it projects the market growing from USD 3.33 billion in 2024 to USD 5.09 billion by 2032, at a CAGR of 5.45%.⁹

• Export Activity

In 2024, exports of screws, bolts, nuts, and similar steel articles (HS 7318) totalled USD 635 million, up from USD 644 million in 2023. This category accounted for roughly 0.09% of Canada's total merchandise exports (valued at USD 721 billion).⁸

Policy Action and Industry Re-action

The Government of Canada is working to reduce harm and protect competitiveness in the fastener sector. **Ottawa is negotiating exemptions and quota arrangements with the United States, continuing to use diplomacy to ease the burden on industries dependent on steel and aluminum. It is providing temporary relief by offering tax measures, credit lines, and short-term grants,** helping SMEs manage working capital pressures as costs are rising. At the same time, the government is supporting domestic capacity by encouraging investment in steel and aluminum production, while strengthening customs enforcement to prevent tariff circumvention and unfair imports. **It is also funding programs that are helping manufacturers move into higher-value fastener production through certification, R&D, and automation.** By consulting industry and applying countermeasures, Ottawa is showing that it is actively shaping conditions for resilience, even as political will and budget limits are setting the pace.¹⁰

Industry commentaries from distributors and trade associations underscore adaptive behaviors: suppliers building buffer inventories, re-negotiating supplier contracts, and prioritizing qualifying high-margin OEM relationships. Retailers and infrastructure OEMs — careful about total lifecycle cost — have signalled willingness to pay modestly higher prices for reliable, certified Canadian-made fasteners if delivery and quality are guaranteed. Yet smaller contract manufacturers remain vulnerable. These on-the-ground accounts mirror the broader warnings published in financial and trade press about potential “catastrophic” impacts on jobs and steel sector health if tariffs escalate dramatically.¹¹

Summary

Trump-era tariff measures — and their reappearance and intensification in the 2020s — are a reminder that trade policy can change rapidly and have outsized impacts on even seemingly small sectors like fasteners. For Canadian fastener manufacturers, the twin challenges are managing immediate input-cost shocks and positioning themselves for a potentially re-regionalized, higher-cost industrial landscape. Companies that proactively diversify supply, capture more value, shore up liquidity, and engage with government and industry peers will be best placed to weather tariff cycles.

The fastener industry's future in Canada will depend less on the next headline and more on which firms anticipate policy volatility and adapt their structures and strategies accordingly. Given the central role of steel and aluminum inputs, any durable solution will also require a smart public policy — negotiated trade arrangements where possible, targeted temporary support, and programs that help firms move up the value chain. In short: plan, adapt, and upgrade. ■

² https://atlasimg.com/blog/2025-tariff-update-steel-aluminum-tariffs-rise-to-25-and-global-trade-tensions-mount/?utm_source=chatgpt.com

³ https://www.rbc.com/en/thought-leadership/economics/featured-insights/how-u-s-steel-and-aluminum-tariffs-would-impact-canadas-economy/?utm_source=chatgpt.com

⁴ https://www.endries.com/blog/navigating-the-tariffs-endries-philosophy-and-approach/?utm_source=chatgpt.com

⁵ https://www150.statcan.gc.ca/n1/pub/11-621-m/11-621-m2025007-eng.htm?utm_source=chatgpt.com

⁶ https://www.poidata.io/report/fastener-supplier/canada/?utm_source=chatgpt.com

⁷ https://www.ibisworld.com/canada/industry/screw-nut-bolt-manufacturing/646/?utm_source=chatgpt.com

⁸ https://www.grandviewresearch.com/horizon/outlook/industrial-fasteners-market/canada?utm_source=chatgpt.com

⁹ https://www.credenceresearch.com/report/canada-industrial-fasteners-market?utm_source=chatgpt.com

¹⁰ https://www150.statcan.gc.ca/n1/pub/11-621-m/11-621-m2025007-eng.htm?utm_source=chatgpt.com

¹¹ https://www.endries.com/blog/navigating-the-tariffs-endries-philosophy-and-approach/?utm_source=chatgpt.com

