

# Emerging Fastener Markets News compiled by Fastener World

## 全球新興市場新聞

### Industry Development

#### An Insight into Trends in the Fastener Industry 2022

##### 2022扣件產業趨勢分析

Lars Holm, Managing Director of Swedish specialist stainless steel fastener maker BUMAX gives us his insights into what he sees as the three most important industry trends in 2022.

#### 1. The growing importance of sustainability

Many industries are facing greater demands for sustainability and circularity – including product Life Cycle Assessments (LCAs) and Environmental Product Declarations (EPDs). Stainless steel is highly recyclable, which means that stainless steel fasteners can be a more sustainable material option than carbon steel in many applications. There will be increasing pressure from customers, partners, owners and society as a whole on companies, products and projects to be as sustainable as possible and that includes using fastener raw materials that are as ‘green’ and long-lasting as possible.

As industries better understand LCA costs, long-term value and sustainability, we anticipate new market opportunities and a growing demand for stainless steel materials. The fact is that premium stainless steel fasteners last longer, and require less maintenance and replacement, which also boost their sustainability profile. Therefore, **I anticipate a shift from standard to premium fasteners and specifically from carbon to stainless steel fasteners.**

#### 2. Continued innovation

A great deal has happened with premium stainless steel fasteners in recent years in terms of new properties and capabilities, and I expect this to continue in 2022 as new products are developed to meet even more demanding



fastener applications. We see new fasteners that are stronger and more corrosion resistant for a wide range of industry segments.

#### 3. Continued market instability

Unfortunately, economic instability, supply chain issues and uncertainty are likely to continue well into 2022, largely due to the ongoing effects of the Covid-19 pandemic. **We will continue to see supply chain pricing pressures in the form of higher steel and logistics costs and the challenge for industry actors is to curb these effects. Some will handle it better than others. Winners will be fastener manufacturers with longstanding relationships with their suppliers, their own production facilities and with large stocks of products ready for shipping to customers.** It is likely that market prices will continue to rise further during 2022.

Lars Holm is Managing Director for BUMAX, a Sweden-based world-leading specialist manufacturer of premium stainless steel fasteners. Holm has a decade-long background from the global logistics, manufacturing, adhesive and tooling industries.



#### Tata Steel: Steel Prices Could Rise Much Higher in the Next Decade

##### 塔塔鋼鐵：未來十年的鋼價可能遠高於過去十年

The Indian Tata Steel CEO T.V. Narendran said steel prices in the coming years could rise much beyond the past few years. The CEO explained the steel market is going through several changes, including cost increase and China's role change in this market. “The last 10 years have been dominated by exports out of China. Now, there's far more stability in world steel trade.”



At its peak, China exported more steel than India produced, Narendran said. China's steel exports have since halved to around 60 million tons a year, and could fall further as the country pursues its net-zero carbon emissions goals, and for "the first time in many years," steel demand is not being driven by China, said Narendran. The World Steel Association expects growth in steel consumption this year comes from countries other than China. "With the Western world investing in infrastructure, that's positive for steel demand as well."

On the supply side, steel production costs are at "historic high levels" because of coal prices. Iron ore prices, however, have weakened and should trade within the \$100 to \$120 per ton range in the long term, he said. Steel prices may also be pushed up by the increasing carbon cost in Europe. "I expect to see steel prices at a much higher level than we've seen in the last 10 years, over the next 10 years."

# Bloomberg

## NEW ENERGY FINANCE

### BNEF: 77 Million EVs on the Road by 2025

彭博新能源財經：2025年將有7700萬輛電動車路上跑

Bloomberg New Energy Finance (BNEF) released the latest Electric Vehicle Outlook that states electric passenger cars sales will grow rapidly in the coming years, from 6.6 million vehicles in 2021 to 21 million in 2025. The fleet of EVs on the road hits 77 million by 2025 and 229 million by 2030, up from 16 million EVs on the road at the end of 2021.

According to BNEF, developed countries and multilateral institutions should include electric vehicle investments, incentives and charging infrastructure deployments in their international climate finance plans, making capital available to emerging economies that have credible plans to develop this sector.

The fleet of passenger electric vehicles is set to hit 469 million in 2035 in the Economic Transition Scenario but needs to jump to 612 million by the same date in the Net Zero Scenario. Much of the gap will have to be met in emerging economies, while wealthy countries should look at ways to support the transition in those markets and avoid a global slowdown of adoption.

### EU Agrees to Ban Fossil Fuel Vehicle Sales by 2035

歐盟批准 2035年起禁售燃油車

EU announced on June 29 that it has approved a full-range ban of new fossil fuel vehicle sales by 2035 on the European continent. This is aimed to pull carbon emission down to zero. The proposition was brought to the table in July 2021, and the final determination hints at a total cease of fossil fuel vehicle

sales and EU's full transition into EVs starting from 2035.

The purpose of this determination is to facilitate the climate target for Europe, which particularly is to reach carbon neutrality by 2050. At the request of countries including Germany and Italy, the 27 EU nations agreed to consider giving the green light to the use of alternative technologies such as plug-in hybrids if they can achieve the complete elimination of greenhouse gas emissions.

Environment ministers meeting in Luxembourg also approved a five-year extension of the exemption from CO2 obligations granted to so-called "niche" manufacturers, or those producing fewer than 10,000 vehicles per year, until the end of 2035. The clause, sometimes referred to as the "Ferrari amendment", will benefit luxury brands in particular.

"This is a big challenge for our automotive industry," acknowledged French Minister of Ecological Transition Agnes Pannier-Runacher, who chaired the meeting. But she said it was a "necessity" in the face of competition from China and the United States, which have bet heavily on electric vehicles seen as the future of the industry.



### Russia-Ukraine Conflict Could Bring Down Global Automotive Sales by 2% This Year

俄烏衝突可能使今年全球汽車銷量下降2%

Wall Street Journal reports, according to S&P Global, the Russian-Ukraine war worsens the disruption of global supply chain and could make the global sales of light vehicles drop 2%. S&P Global previously predicted the automotive sales of 2022 would grow 4% to 6%. It says the war may affect the European market because Europe relies on the supply of materials, natural gas and petroleum.

S&P Global states the price rise will not affect the transition to electric vehicles, and points out the possible shortage of palladium as well as a possible price increase in steel, copper, aluminum and nickel, which bring critical risks to the automotive industry this year.

### Thailand Terminates Anti-dumping Tax on Low Carbon Wire Rods Originated in China

#### 泰國終止對中國低碳盤元收反傾銷稅

Thailand launched an investigation on January 9 of 2015 on low carbon wire rods originated in China, and then imposed an anti-dumping tax of 12.81%-31.15% starting March 10, 2016. On March 9, 2021, Thailand launched the first sunset review investigation on China's low carbon wire rods with a diameter greater than or equal to 16 mm and less than 0.29% of carbon content. The involved product codes are: 7213.9120.000, 7213.9190.010, 7213.9190.011, 7213.9190.012, 7213.9190.013, 7213.9190.033, 7213.9190.034, 7213.9190.035, 7213.9190.090, 7213.9920.000, 7213.9990.000, 7227.9000.021, 7227.9000.022, 7227.9000.023, 7227.9000.024, 7227.9000.030, 7227.9000.031, 7227.9000.032, 7227.9000.033, 7227.9000.034, 7227.9000.035, 7227.9000.039, 7227.9000.090.

March 11, 2022, Thailand announced the termination of anti-dumping tax on low carbon wire rods originated in China.



### India Forgoes Chinese Wire Rod Anti-dumping Duty Extension

#### 印度宣布不延長對中線材反傾銷措施

The Indian government has decided to reject the recommendation to impose a definitive anti-dumping duty on imports of wire rod of alloy or non-alloy steel originating in or exported from China. The Directorate General of Trade Remedies (DGTR) previously recommended extending the anti-dumping measures for five further years, Kallanish notes.

"In exercise of the powers conferred by sub-sections (1) and (5) of section 9A of the Customs Tariff Act, read with rules 18 and 23 of the Customs Tariff (Identification, Assessment and Collection of Anti-dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995, the Central Government, after considering the aforesaid final findings of the designated authority, has decided not to accept the aforesaid recommendations," says India's Finance Ministry.

The products under consideration were bars and rods, hot-rolled, in irregularly wound coils of iron or non-alloy steel or alloy steel, commonly known as wire rod. The products are used in automotive components, welding electrodes, springs, wire mesh, fasteners, nails, railway sleepers, and binding wires.

DGTR had recommended an anti-dumping rate equal to the difference between the landed value of the imports and \$546/tonne. If the landed value of imports was more than \$546/t, then no duties would be applicable.

### South Africa Makes Final Determination to Impose Taxes on Imported Iron or Steel Hexagon Bolts

#### 南非對進口鋼鐵六角頭螺栓做出徵稅終裁

International Trade Administration Commission of South Africa (ITAC, representing SACU members including Namibia, South Africa, Lesotho, Eswatini and Botswana) has made the final determination to impose taxes on imported bolts with hexagon heads of iron or steel for a period of 3 years. The product code involved is 73181543. The respective tax rates for certain periods are: 31.8% from December 10, 2021 to December 9, 2022; 30.8% from December 10, 2022 to December 9, 2023; 29.8% from December 10, 2023 to December 9, 2024.



### China Continues Anti-dumping Duties on EU/UK Carbon Steel Fasteners Starting June 29

#### 中國對歐盟與英國碳鋼扣件續徵5年反傾銷稅

The Ministry of Commerce of China announced to continue anti-dumping duties for 5 years on partial carbon steel fasteners originated from EU and UK, starting June 29, 2022. The Ministry claimed that if it ceased this anti-dumping measure, the dumping of carbon steel fasteners from EU and UK to China as well as the injury made to the Chinese carbon steel fastener industry would continue or happen again.



June 28, 2010, the Ministry decided to impose anti-dumping duties (rates from 6.1% to 26.0%) on carbon steel fasteners originated from EU. June 28, 2016, the Ministry decided to continue the anti-dumping duties for 5 years starting June 29, 2016.

The carbon steel fasteners subject to the duties include wood screws, self-tapping screws, screws and bolts with or without nuts or washers (excluding rail screws as well as screws and bolts with a diameter under 6mm), and washers. The scope of the investigation did not include nuts and fasteners used for the maintenance and repair of civil aircraft.



### U.S. Terminates Anti-dumping Duties on Helical Spring Lock Washers

#### 美國終止螺旋彈簧鎖緊墊圈反傾銷措施

The U.S. Department of Commerce revoked the AD orders on helical spring lock washers from China and Taiwan because no domestic interested party filed an application.

June 28, 1993, Commerce issued an AD order on helical spring lock washers from Taiwan. October 19, 1993, Commerce issued an AD order on helical spring lock washers from China. The U.S. initiated 4 sunset reviews respectively on February 23, 2001, July 3, 2006, December 5, 2011, and May 26, 2017, each prolonging the duty expiration date. April 1, 2022, Commerce initiated the 5th sunset review investigation on helical spring lock washers from China and Taiwan.



### Policies Needed to Support Vietnamese Steel Industry Development

#### 越南工業貿易部呼籲政府提出支持鋼鐵產業發展所需政策

According to the recent report by the Ministry of Industry and Trade of Vietnam, overreliance on material imports, small production value and outdated technology were among the major weaknesses of Vietnam steel industry. The report was part of the Ministry's proposed "Strategy for the Development of Vietnam Steel Industry by 2030, with a Vision to 2050", which called for additional governmental policies to support the steel industry.

Referred by the Ministry, Vietnam's production capacity for steel billets stood at 27 million tons in 2021, of which 7-8 million tons were hot-rolled coils. With the exceptions of only a handful of large steel mills such as the Hòa Phát-Dung Quat Iron and Steel Complex, the Hng Nghip Formosa Iron and Steel Complex, and Nghi Sn Steel, the rest of the country's steel industry was made up of small mills, equipped with outdated machinery and technology.

In addition, the industry lacked the capacity to meet domestic demand, especially for alloy steel which it has not been able to produce. The only long-term solution is to ramp up investment for the construction of large-scale steel complexes to reduce reliance on imports. The Ministry's conclusion is that the industry's competitive capacity is limited as its production is marred with energy inefficiency and environmental issues. "For the most part, the industry is overly dependent on imports of raw materials including ore, scrap and coking coal, resulting in unstable prices," said the report.

By the Ministry's estimate, Vietnam needs to import around 18 million tons of ore, 6-6.5 tons of scrap and 6.5 million tons of coking coal this year. As prices for said materials remained high, the steel price is expected to climb, hurting both domestic consumption and exports. The Ministry said the development of Vietnamese steel industry remained a key component in the country's industrialization effort as a large number of industries including shipbuilding, manufacturing, defense hardware, mining and energy are highly dependent on quality steel. By 2030, Vietnam's total demand for steel is projected to reach over US\$310 billion, of which US\$120 billion, railways US\$35 billion and subways US\$10 billion, among others.

Despite its key role in the country's socio-economic development effort, the industry has not received adequate support, especially from a policy standpoint, due to a lack of tailored and streamlined policies to support its growth, said Minister of Industry and Trade Nguyn Hng Diên. Diên called for stronger government support for the sustainable and stable development of the industry as well as the country's metallurgy sector with a focus on increasing production of hot-rolled coil, high-quality steel and the establishment of steel megacomplexes.

### Global Hardware Parts Purchase Center Under Construction in Dali (China)

#### 大瀝鎮五金全球採購中心建設正式啟動

Dali Town (Guangdong, China) launched the construction of the Global Hardware Parts Purchase Center on June 27. This Center will span an area of 55 thousand square meters with a total investment of RMB 1 billion. It is set to be a supply chain finance service and management center for commerce, trade and exhibition. The construction started in July 2022 and comprises 3 phases. The first phase will be completed within 3 years and all phases will be finished within 6 years. There will be a supply chain management center and logistics dispatch center attracting high-end logistics talents.



### China's Lengshuijiang City Makes RMB 1.6 Billion on Fasteners a Year

#### 中國冷水江市扣件一年創造16億人民幣產值

The fastener industry in Lengshuijiang City (Hunan, China) makes a production value of RMB 1.6 billion a year on screws and nuts. Through the Chinese government, Lengshuijiang Tianbao Industrial (a fastener developer and manufacturer) signed a contract of collaboration with a little over ten local companies including Zoomlion, SANY Heavy Industry, and Hunan Valin Steel.

With its strength in steel materials, Lengshuijiang City is fully supporting the fastener industry. The city has had a company manufacturing high strength fasteners of grade 8.8 and above, the highest grades within China. These high-performance fasteners are extensively applied in equipment manufacturing, infrastructure, automobile, ship building and other areas across 29 provinces. Lengshuijiang Tianbao Industrial tops the chart of fastener production and sales in China. Last year Lengshuijiang City sold over 210 thousand tons of fasteners and made a production value above RMB 1.6 billion.



### Construction of China Yongnian Fastener Technical Service Center to Accelerate

#### 中國永年緊固件技術服務中心項目加速建設

The Fastener Technical Service Center in Yongnian District of China is being built on a total floor area of 55 thousand square meters with a total investment of RMB 380 million. It comprises a commercial reception center, an inspection center, and is expected to be completed in October 2023.

The fastener industry in Yongnian produces a value worth of RMB 34 billion a year with a market share over 55% across China. The products from this district are sold across China and exported to more than 100 countries. The district has an increasing proportion of high-end

products and an improving fastener supply chain, but still requires improvement on inspection capabilities.

After the center is completed, the annual profits and taxes will amount to RMB 18 million and the center will add 500 jobs, provide standard parts inspection, R&D, and attract funds and technologies as well as talents.



## Companies Development

### Praktiker's Net Profit in Hungary up 36% in 2021

#### Praktiker的匈牙利分公司在2021年稅後盈餘成長36%

Hardware components and DIY chain store Praktiker is headquartered in Germany. It has 30 brick-and-mortar stores and an online shop, taking up 33% of its market share. Its Hungarian subsidiary increased revenue by 10% to around 84 billion forints (USD 258.66 million) in 2021. The net profit after tax grew 36% to 6.1 billion forints (USD 18.87 million). General manager Mr. Zsolt Partos said the main challenge in 2022 is the Russia-Ukraine war that is worsening inflation. Sales in the first half of 2022 were good, but he is pessimistic about the second half.

Praktiker's products are used in construction, sanitary ware, DIY, gardening, furniture, white appliances, bikes, etc. It also has products under its brand including hand tools, electric hand tools, pipe valves, glue guns, cable ties, and fasteners.





### Capri Fund Invests in Deepak Fasteners Capri Fund投資印度Deepak Fasteners

Capri Stressed Assets Fund announced in June that it has recently made its first investment in Deepak Fasteners Limited headquartered in India, taking significant minority stake in the company.

By capitalizing on its strong brand, market positioning, and distribution network, Deepak Fasteners targets to emerge as a major player in the industrial fasteners segment worldwide over the next few years and intends to come out with a public offering of its equity shares in the next few years.

“It is our belief that the company is at the cusp of emerging as a preferred fastener partner for the Indian industry driven by its strong world-renowned ‘Unbrako’ brand, excellent manufacturing capabilities and the unfolding India growth story. This investment underlines our philosophy of working with companies having strong and resilient business models, help them turn around their business operations and evolve as a major player within their industry,” commented Rajesh Sharma, Founder of Capri Global Group.



### Tesla Now Locked on Seeking New EV Manufacturing Hub in Indonesia

特斯拉電動車在印尼尋覓新生產據點，車用扣件廠商必須密切關注！

From India to Indonesia, Elon Musk is scouting out sites to make more Teslas. With the world mired in supply chain chaos, access to materials matters the most. He's got it right. After lobbying against India's tight manufacturing policies and prohibitive import duties, Musk is headed to meet Indonesia's President Joko Widodo and visit parts of the country, which is also the top producer of nickel, a key metal for batteries. That's an astute bet—for Tesla and Indonesia. And a missed opportunity for New Delhi. To meet ambitious electric vehicle (EV) targets, Indonesia has drawn in several battery and car makers in recent months with a variety of incentives.

With a friendly policy bolstering the country's EV goals, companies have started committing billions of dollars. LG Energy Solution, along with others, is investing about US\$9 billion in a full supply chain in the country. With Hyundai, the firm is developing a battery plant, too. Meanwhile, the world's top powerpack maker Contemporary Amperex is investing almost US\$6 billion in a battery project with state-backed Aneka Tambang and Industri Baterai Indonesia. Further up the value chain, China's Zhejiang Huayou Cobalt and Vale Indonesia announced they would work together on a nickel project.

The move by companies across the EV supply chain into Southeast Asia's largest economy shows how important it is to be close to a source of raw materials. Tesla knows this well. It has created large manufacturing hubs in China and Germany. Now the EV-maker is looking to secure materials and make its own batteries. Wherever Musk sees problems in production, he looks for a solution. Tesla is essentially creating discrete supply chains across the globe.

Just as China made Tesla a global company, Indonesia could do the same for its battery supply chain. All while making manufacturing more affordable and eventually, EVs, too. It's a means to an end—and a smart one at that. (Source: Livemint)



### Tata Makes the Most of Frugal Innovation to Top Indian EV Market

塔塔集團發揮節儉式創新，制霸印度電動車市場

Frugal innovation is the prevalent culture in India. The Indian press reported a local man revamping his car into a helicopter and renting it for weddings.

The Indian Tata Group follows suit. Turning away from pouring loads of money into EV development like the American and European carmakers do, Tata manufactures affordable Nexon EVs at the lowest cost and succeeds in becoming the king of Indian EVs.

At first Tata didn't have the latest automated production line, and production had to rely mostly on human workforce, so Tata was only able to manufacture 8 EVs a day. But when Nexon swept the local market after its rollout, the spike in demand had Tata increase workforce at adjacent plants. Up to this May, Tata's daily capacity has breached 100 vehicles.

Like turning a car into a helicopter in the most frugal ways possible, Tata did whatever it could to spend the least budget to morph its existing models into EVs and install them with cheaper battery units. That's how it succeeded in releasing an affordable EV for the Indians. It gave up investing billions of US dollars in EV production lines—the way that American and European carmakers would do. The frugal and innovative Tata draws a clear line that differentiates itself from market counterparts. Tata is well aware that a cheaper EV is the clear path to take to make a USD 19 thousand EV that is affordable for the local middle class. Tata's success is also attributed to the Indian government providing subsidies and imposing a high tax on imported EVs.



## Lianxin Iron and Steel (China) Successfully Develops Q195 Cold-forged Steel Hexagon Screws

中國聯鑫鋼鐵開發出Q195冷鐵鋼六角螺絲

The Q195 cold-forged steel wire rods developed by Lianxin located in Zhejiang went through pickling, drawing and straightening and were successfully forged into 600 hexagon screws. The pass rate is 100% and no defect was found in a random check, meeting clients' requirement. The success in trial manufacturing hexagon screws heralds a step further in Lianxin's development of special high-end steel and helps upgrade its products.



## Ace Hardware Opens First Store Under New Franchise Model in Mexico

Ace Hardware在墨西哥開設首間加盟分店

As Ace Hardware continues to grow globally, Ace Hardware International Holdings, Ltd., a subsidiary of Ace Hardware Corporation, announces it opened its first store in Monterrey, Mexico on October 28, 2021, with a plan to open 13 additional stores by the end of 2022. The store is the first under Ace's new turnkey franchise model announced in 2020. Ace now operates in approximately 70 countries and has opened more than 900 stores globally in the past five years.

The new Ace Hardware store, located at Urban Village, Avenida Eugenio Garza Sada 3431, local SA009, Colonia Arroyo Seco, brings Ace Hardware's knowledgeable, helpful service, convenience, and quality brands to the growing Mexico market.

With 15 employees, the new Ace Hardware store occupies more than 14,000 square feet, with 2,000 square feet dedicated as a showroom featuring decorative tiles, plumbing fixtures and bath accessories. Quality, consumer sought brands, such as Stihl, Big Green Egg, Milwaukee, DeWalt, Sayer, Hilti, Clark & Kensington, Bosch, Philips, Hunter, Steel Grip, and Grill Mark will be available to customers.

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**TUV NORD**  
TUV Asia Pacific Ltd.  
Taiwan Branch  
ISO 9001:2015

11 Fl. No.27 Min Chuan W. Rd., Taipei 104, Taiwan  
TEL: 886-2-2585-8151 (Rep.)  
FAX: 886-2-2585-3785; 2585-3035; 2585-4271  
E-mail: [bestwell@ms5.hinet.net](mailto:bestwell@ms5.hinet.net); [bestwell@bestwell.com.tw](mailto:bestwell@bestwell.com.tw)  
[www.fastener-world.com/en/supplier/bestwell](http://www.fastener-world.com/en/supplier/bestwell)