

Fastener World News

compiled by Fastener World



Industry Update

EU's Anti-dumping Investigation on Chinese Fasteners, a Window of Opportunity for Taiwan

EU has launched the AD investigation on certain fastener products imported from China, including automotive screws and construction small screws. The last time that EU whacked on China's fasteners was 5 years ago. Mr. Tu-chin Tsai (TIFI Chairman) expects an additional order value of USD 1 billion for the Taiwanese automotive fastener industry if EU does impose AD duties on Chinese fasteners. He points out that automotive screws are the main products exported to Europe, taking up over 20% of Taiwan's total export. Germany is the second largest export destination for Taiwan. Other screw products going to Europe include small screws. The U.S. remains the top export destination for Taiwan, taking up over 40% of Taiwan's total overseas sales.

President Mark Wu (QST International Corp., automotive screw manufacturer) thinks EU's anti-dumping investigation on Chinese fasteners means an opportunity for the Taiwanese fastener industry because QST now sells to Europe. Its export value of automotive screws sold to Germany amounts to USD 200 to 250 million per year, taking up 30% of its total export. Most of the products for Germany are sold from QST's headquarters in Taiwan, or manufactured by German steel plants and then supplied locally. Almost none of the products are sold from QST's plant in Xiamen City of China. It is expected that QST will be very likely to see some orders switched from China to Taiwan in the future.

Steel in Short Supply and Strong Demand in Taiwan

Japanese steelmakers have paused taking orders for January 2021 and it follows that steel is in short supply and strong demand. Steel price for the first quarter of 2021 is sure to rise and is expected to continue the uptrend in the second quarter. New records have been set for 9 consecutive years for international iron ore price which has surged 80% since 2020. Taiwan CSC's steel price is to continue the uptrend in January and the first quarter. Demand for wire rods and steel plates is strong. CSC President expects the heyday of the steel market may continue through June 2021. Downstream companies see light at the end of the tunnel with their business operation recovering.

Tycoons expects the wire rod price to continue upwards. The company's export is turning around which is expected to remain so through the second quarter of 2021 and bring remarkable profits.

EU Launches AD Investigation Against Chinese Iron and Steel Fasteners

According to an official journal the European Commission released on December 21st, 2020, EU has launched an antidumping investigation against certain imports of iron and steel fasteners from the People's Republic of China. The CN codes of products involved this time include 73181290, 73181491, 73181499, 73181558, 73181568, 73181582, 73181588, ex73181595, ex73182100, and ex73182200. A request for a hearing with the Hearing Officer must be submitted within 15 days of the date of entry into force of this official journal. The investigation is expected to come to a preliminary determination with the announcement of a provisional antidumping measure within 7 months of the date of entry into force of this official journal.

Taiwan Fastener Industry Seeks Government Help in Light of RCEP Impacts

Taiwan Ministry of Economic Affairs (MOEA) met with representatives from Taiwan Industrial Fasteners Institute (TIFI) and other associations at a conference discussing the RCEP impacts on industries. Before the conference, TIFI chairman Tu-Chin Tsai said in an interview that Taiwan fastener industry was ranked third in the world, but that its production value dropped from NTD 176 billion in 2018 to NTD 143 billion in 2019, and it is fairly questionable whether the value can reach NTD 110 billion as a result of the high NTD exchange rate and other countries' high tariffs on Taiwanese fasteners.

According to Tsai, NTD appreciated by 12%-15% over the past 2 years, resulting in an annual loss of NTD 5 billion to Taiwan fastener industry. As a result, he is calling for NTD depreciation. Meanwhile, an average 5%-30% tax is imposed on Taiwanese fasteners exported to ASEAN.

He thinks that RCEP has no impact on domestic electronics, 5G and medical industries, which are strong performers in Taiwan. Taiwan fastener industry is a decent performer in aerospace, automobile and electronics, but faces tough competition coupled with negative factors in exchange rate and tariff. "Without industrial competitiveness, we may need to look towards domestic plant closures or move factories to other countries."

Mr. Tsai Yong-Yu, TIFI vice president and president of Jinn Her Enterprise, said that the industry had already deployed in Southeast Asia as part of Taiwan government's New Southbound Policy. The branches in Southeast Asia aim to export products to high-end markets in the U.S. and Europe and bring competitiveness to the industry, but the pandemic has put a halt to export. With no improvement visible through the second quarter of 2021, he hopes the government will help by ways such as depreciating NTD.



Companies Development



Elgin Expands Range of OE-Grade Fasteners for GM LS GEN III, IV and V Engines

Elgin Industries, a leading U.S.-based manufacturer of engine and chassis components, has added to its extensive range of original equipment-grade fasteners for popular General Motors LS Series engines. It is important to replace head bolts, main bearing cap bolts and other hardware after one use to prevent loss of clamp load and potential engine damage. Each Elgin fastener meets OE specifications and is machined from U.S.-grade materials to ensure superior strength and reliability.

Elgin is the premier manufacturer of push rods, rocker arms, valves, valve springs, camshafts, lifters, timing sets and other precision-engineered components for automotive, high-performance, and medium and heavy-duty engines. The company operates a state-of-the-art engineering, manufacturing and distribution complex in Elgin, Illinois.



Simpson Strong-Tie Moves Minnesota Warehouse to Larger Facility

Simpson Strong-Tie, the leader in engineered structural connectors and building solutions, announced the relocation of its warehouse facility in Eagan, MN, to Inver Grove Heights, MN, seven miles away. The warehouse has moved to a new building located at Inver Point Business Park, 8450 Courthouse Blvd., Building 1, Inver Grove Heights, MN 55077.

The new building is 46,500 sq. ft. larger than the previous facility, and all 19 employees in Eagan have transferred to the new location. The company has invested in the move as a commitment to future growth and to better serve our customers with faster product delivery and Will Call access. The new location provides more dock and office space, a larger training center, more efficient order picking and enhanced warehouse safety.

Better Prospect for Sheh Fung Screws in H1 2021 Due to Strong Fastener Demand in the U.S.

Measures against the pandemic has driven growth in the American DIY market in 2020, and the same goes with Sheh Fung's order bookings and shipment. Sheh Fung is confident of its performance in the first half of 2021. With product prices rising and the DIY business continuing to gain momentum. The company expects a better operating result for H1 2021 over the previous period.

The company grossed NTD 1.56 billion in the first 3 quarters of 2020, up 12.32%, with a gross profit margin of 16.62%, down 2.91%. The operating margin was 8.76%, down 1.43% and the net profit after tax was NTD 108 million, down 12.19% with the EPS at NTD 2.71. Looking at the fourth quarter, the company expects to set a new record by pushing the annual revenue to NTD 2.1 to 2.2 billion, up 15% to 20%.



Japanese Auto Parts Maker Sankei Sets up a Core Factory in Indonesia

Sankei Co., Ltd in Mie Prefecture of Japan manufactures pins, rivets, shafts and other automotive parts. The company has already had bases in the U.S. and Shanghai for production and sales. Now the Indonesia-based plant PT. TIGA KARUNIA INDONESIA has been completed and will act as an overseas manufacturing and supply base.

Sankei has a complete line of part formers to manufacture various automotive precision parts. The Indonesia-based plant along with its other overseas bases will become a core factory outside Japan in the future to provide the world market with high quality and low-cost products.



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Expansion of the Aerospace Sector: Aviation Certification EN 9100:2018 for 3d-prototyp GmbH in Switzerland

3d-prototyp GmbH, a Bossard company, has received the official aviation certification EN 9100:2018 in Switzerland. The seal of approval is a prerequisite for supplying the aerospace industry with 3D printed components.

Although a forward-looking technology, additive manufacturing is still used very little in Switzerland. Since October 2020, 3d-prototyp GmbH has been the only 3D printing service provider in Switzerland that is certified according to EN 9100 and already has many years of experience in the production of aerospace parts using high-performance materials (Ultem TM 9085, Ultem TM 1010, Nylon 12, Nylon 12CF).



Acquisition



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S.W. Anderson Company Acquires OEM Fastening Systems

S.W. Anderson Company, a specialty and class C component distributor, has acquired OEM Fastening Systems, a specialty fastener distributor in Lawrenceville, Georgia. "We're excited to welcome the OEM Fastening Systems employees to the S.W. Anderson family" stated Jim Degnan, president of S.W. Anderson. "OEM's reputation in the southeast U.S. as a customer-focused product expert aligns closely with S.W. Anderson's value proposition. We look forward to working with our new team members to extend our products and services to OEM's customer base."

Tom Smith, president and owner of OEM Fastening Systems, said "combining our reputation for excellent products and services with S.W. Anderson's manufacturer relationships and knowledge base will give OEM customers a powerful partner — one with local, personalized service, and high-tech products from international manufacturers."

OEM Fastening Systems was started in 1969 as a specialty fastener distributor. OEM assists design and manufacturing engineers in the automotive, appliance, outdoor power equipment, and other markets with fasteners, tooling, and tooling repairs. Founded in 1926 and headquartered in Downers Grove, Illinois, S.W. Anderson Company supplies specialty and standard fasteners, hardware, slides, and manufacturing components for the industrial manufacturing market. The company provides services to tier manufacturers and OEMs in automotive, commercial vehicle, consumer goods, aerospace, and food & beverage industries, amongst others and has seven sales offices/distribution centers with over 35 technical sales professionals throughout the U.S.



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Association



Taiwan Industrial Fasteners Institute Re-elects Mr. Tu-Chin Tsai as Chairman

TIFI held a member representatives assembly on December 11, 2020, where the association re-elected the next directors and supervisors. Mr. Tu-Chin Tsai was elected Chairman as anticipated. Three other representatives emerged as vice chairmen and they are Tsai Yong-Yu from Jinn Her Enterprise, Miss Ann Hong from Shih Hsang Ywa Industrial, Mr. Sun Tea-Ren from Jau Yeou Industry. Mr. Simon Lin from Fong Prean Industrial was elected convener of the board of directors and supervisors.

