

Analysis of Fastener Trade in East Asia in Q1 2022

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East Asia is expected to see economic growth of 4.7% this year and 4.5% in 2023. In spite of financial tightening in the U.S., structural slowdown in China, and the war in Ukraine, this region hosts one of the most robust manufacturing and other crucial industries, including automotive, construction, defense, and aerospace. East Asia comprises more than 20% of the world's population, a home to highly enthusiastic tech-savvy professionals and a hub for millennials who are the target audience for robotic and automation vendors, especially in B2C segments. Owing to the high demand for tech products, the market in this region holds a key area of interest for vendors in the manufacturing sector, thus presenting high demand for vendors offering fasteners for the industrial and manufacturing sectors.

In general, growing machinery, motor vehicles, and other durable goods production are expected to support the overall market growth due to economic expansion and high investment expenditure. Increasing needs for bolts, nuts, screws, rivets, nails, washers, and studs will foster industrial growth in the near future. The growing construction industry and rapid industrialization have been the key drivers to propel the market growth.

The industrial fastener market in this region is segmented based on product type, material, and end-user. Based on product type, the industrial fastener market is segmented into threaded, non-threaded, and specialty. Based on material, the industrial fastener market is segmented into metal and non-metal. On the basis of end-user, the market is classified into automotive, aerospace, construction, consumer appliance and furniture, and industrial and consumer machinery. The region is among the top markets for metal fasteners, accounting for a substantial share of the growing revenue through 2026. These fasteners have applications in almost all industries, including automotive, aerospace, construction, electronics, machinery, and consumer appliances, among others.

In terms of countries, the market is segmented into China and Taiwan followed by Japan and South Korea. China is anticipated to lead the way with increasing commercialization and industrialization. However, in China, the manufacturing sector is currently faced with increased competition from countries in other regions mainly India, Vietnam, the Philippines, and other low-cost countries as policies are renewed with major tax boosts to attract investments to them.

Government investments in commercial and residential construction projects will boost the market in the region.

China accounted for the major share in the global plastic fastener production on account of the presence of medium-scale and small-scale manufacturers in the country. An increase in the number of aircraft deliveries and order due to newer generation aircraft demand shall fuel the region's product demand. The region is a major hub for aerospace fasteners manufacturers supplying industrial fasteners to aerospace OEMs based in North America and Europe.

Taiwan, is the second-largest exporter of fasteners in the region, and the 3rd largest one in the world, with more than 700 factories in Kaohsiung. The country exported more than USD5.3 billion US dollars of screws, bolts and nuts in 2021, which was about USD2 billion less than the 2nd largest exporter, Germany. The largest global exporter, China, registered about USD8.3 billion value of fasteners exports last year.

In the first quarter of this year, as expected China delivered the highest amount of fasteners to the global market with the value of USD 2.4 billion. This amount shows a significant increase to compare with the first quarter of 2021 which could be explained as country was just about to be recovered from the pandemic. However, the value of exports in the first quarter of this year is about 18% lower than the exports value in Q4 2021. On the other hand, Taiwan has experienced a steady growth within since the market has been recovered from the pandemic. In Q1 2022 Taiwan exported about USD1.58 billion fasteners to other countries, which is the highest amount of exports ever registered for this country. Although Taiwan is still ranked at the 3rd place of top global exporters of fasteners, the continued growth of exports could make the country the 2nd largest one and take the place of Germany.

Figure 1 illustrates quarterly export values of fasteners within the last 5 years. As expected, three countries from the East Asia, China, Taiwan and Japan, are amongst the top five global exporters. The value of exports in the chart is in billion dollars.





Figure 1. Quarterly Exports Value of Fasteners Within the Last 5 Years

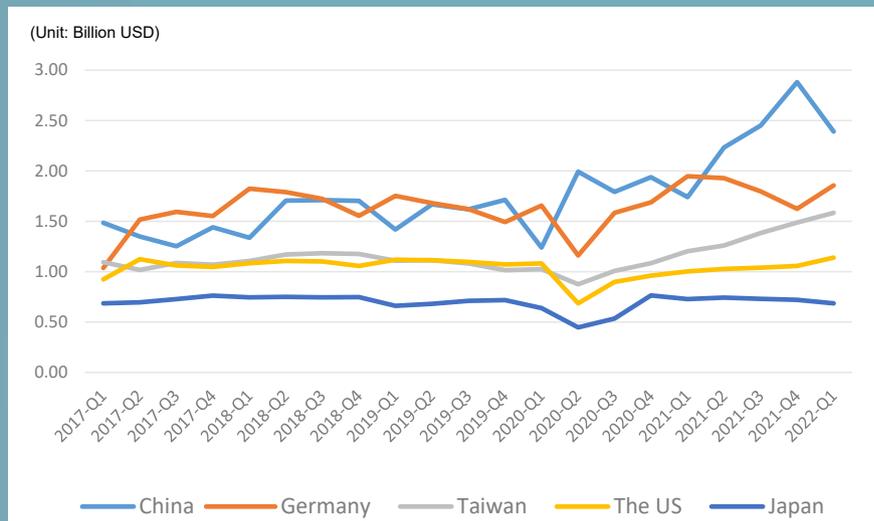
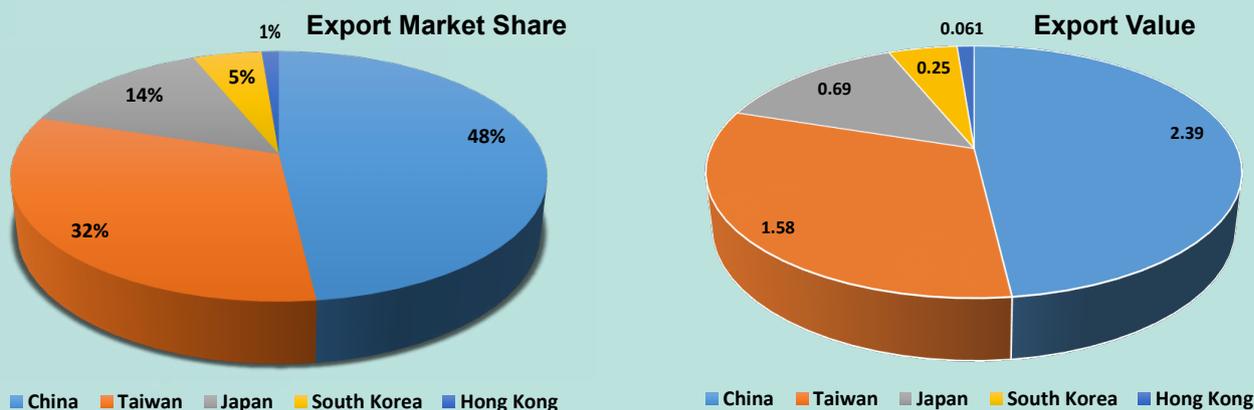


Figure 2. Export Value and Market Share of Major East Asian Countries / Regions in Q1 2022



The highest amount of exports registered in the last quarter of 2021 by Chinese exporters with the value of USD2.88 billion. The pie charts above show the value and export market share in the first quarter of this year registered by the major countries in the region. The chart on the left provides a good illustration about the export market share in this region (in percentage) while the chart on the right shows the total value of exports in billion dollars in Q1 2022

In term of the imports, it's only China which can be found on top of the list of major global importers, however, other countries in the region like Japan, South Korea, Hong Kong and Taiwan listed far below China. This shows a large trade surplus for these countries in terms of industrial fasteners. The trade balance in Q1 2022, which is the difference between the amount of exports and imports, for Taiwan is very close to China, although it's still lower than China. Taiwan registered the lowest amount of imports amongst the countries in the region. Hong Kong trade statistics within this quarter shows a slight difference as the country's value of exports and imports are very close.

Table 1. Major Fastener Importing Countries in East Asia

Country	Export Value (USD Billion)	Import Value (USD Billion)	Trade Balance Value (USD Billion)
China	2.39	0.75	1.64
Taiwan	1.58	0.05	1.53
Japan	0.69	0.25	0.44
South Korea	0.25	0.14	0.10
Hong Kong	0.061	0.055	0.01

With no doubt, East Asia is one of the key contributors to the global fastener market. The value of the global market was about USD 80 billion in 2021 and it is anticipated to grow from USD 82.56 billion in 2022 to USD 110.91 billion by 2029, showing a CAGR of 4.3%. East Asian manufacturers and suppliers will continue to play their crucial roles as major contributors to the global fastener market.

Sources:

Asia-Pacific Industrial Fasteners Market 2020-2026, by Research and Markets
 Industrial Fasteners Market Size, Share & COVID-19 Impact Analysis, by Fortune Business Insights
 ITC Trade Map, Trade Statistics for International Business Development

