

Analyzing the Fastener & Metal-Processing Industry in Malaysia

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Malaysia's fastener and metal-processing industries sit at a pragmatic crossroads: they are sizable, technically capable in mid-tier manufacturing (stamping, machining, coating), and tightly coupled to the country's stronger export industries (automotive, electrical & electronics, oil & gas). That gives them steady demand and technical know-how — but also exposes them to raw-material overcapacity, price swings, and global competition.

The Industrial Context: Metal Processing + Fasteners in Malaysia

Malaysia's manufacturing sector is strategically important — accounting for roughly **23–24% of GDP** in recent reports — and it hosts mature clusters for precision metal stamping, machining, and components for automotive, electrical & electronics (E&E), aerospace spares and oil & gas fabrication. The metal-processing ecosystem includes roll-forming, cold heading (for many fastener types), heat treatment and plating/coating services (zinc, hot-dip galvanizing, passivation).

Two structural facts define the playing field:

1. Downstream capability is solid, mid-tier to high-mix: Malaysia's metal-stamping and precision parts factories can do small-to-medium runs with good quality control — ideal to supply OEM lines in Penang, Kulim, Selangor and Johor.

2. Upstream overcapacity & import exposure: Malaysia has significant upstream steel capacity and rising exports, but also faces regional overcapacity challenges (ASEAN and China production surpluses), causing volatility in raw-material costs and utilization rates.

Market Size, Structure and Projections

Market Scale (Range):

- **Credence** estimates the Malaysian industrial fasteners market at ~USD 214.2 million (2024) with a forecast to ~USD 344.7 million by 2032 (CAGR ≈6.1%). If the numbers of inclusion/exclusion of OEM fasteners, plastic fasteners and related services add to this market, the market size is a larger estimate (USD 455.9 million in 2024) with a forecast to ~USD 672.6 million by 2030 (CAGR ≈6.8%).

- **Growth drivers:** Automotive (including rising EV assembly capacity), E&E (semiconductor and electronics assembly), infrastructure/construction works, and after-market maintenance for oil & gas and heavy industry are the primary demand engines. **Automotive TIP reached ~790,347 units in 2024 (production highs), supporting strong localized fastener content per vehicle.**

Trade Flows & Supply Chain Reality

Trade data show Malaysia both imports and exports fasteners and related articles — the country is not a pure end-market; it is a regional assembly and re-export hub for many metal components.

- **Imports:** HS code series 7318, Trademap datasets report USD 588 million for 2023 and USD 619 million for 2024.

- **Exports & processing:** HS code series 7318, Trademap datasets report USD 268.1 million for 2023 and USD 328.2 million for 2024.

Sectoral Demand Breakdown — Where Screws/Bolts are Consumed

• 2024 Automotive Data (OEM and Tier Suppliers):

Passenger Vehicle Production	744,604 units
+ Commercial Vehicle Production	45,743 units
Total Industry Production	790,347 units
	2.0%

• Vehicle Sales (Total Industry Volume) & EV/BEV Share

Total Industry Volume (vehicle sales/registrations) was 816,747 units in 2024, also a record.



Battery Electric Vehicles
14,766 units



Hybrid Vehicles
30,796 units



Electric Vehicles (hybrid + plug-in + battery EV)
45,562 units
(about 5.6% of total sales, up about 4.8% from 2023)

• Government Policy, Localisation, EV Plants

- Local assembly of EVs / electrified models is increasing: e.g., Mercedes-Benz is assembling its EQS 500 4MATIC in Pekan, Pahang.
- States like Pahang are aiming to become EV assembly hubs.
- Malacca has EV manufacturing investment: e.g. Fieldman EV plant (in partnership with Changan) slated for approx. RM1 billion investments.
- Incentives & shift toward localisation.
- Import duty and excise duty exemptions for CBU (completely built-up) EVs are valid until end-2025. After that, pressure to assemble locally or use CKD (completely knocked down) / semi-knockdown operations increases.
- Government aims under National Automotive Policy (NAP 2020) and EV / clean mobility roadmaps are pushing more OEMs, Tier-suppliers to localise component production.

• Electrical & Electronics (E&E):

In 2024, Malaysia's E&E exports reached RM 601.18 billion, equivalent to approximately USD 130 to 150 billion depending on exchange rates. This represented a 4.5% increase compared to 2023 and marked the highest value ever recorded. E&E products accounted for roughly 39.9% of Malaysia's total exports, underscoring their critical role in the country's manufacturing base.

Within the broader manufacturing sector, E&E remained the largest sub-category of manufactured goods exports. The segment continued to dominate Malaysia's export portfolio throughout 2024, particularly through the strong performance of integrated circuits and semiconductor devices, which remain the backbone of Malaysia's E&E export strength.

Monthly export data further highlight the momentum of this sector. In April 2025, Malaysia's E&E exports rose sharply by 35.4% year-on-year, reaching RM 60.2 billion compared to approximately RM 44.5 billion in April 2024. This level of volatility — combined with such strong year-on-year growth — reflects both global demand surges and Malaysia's increasing production capacity in high-value electronics.

Foreign Direct Investment (FDI) trends reinforce this story of expansion. Malaysia recorded net FDI inflows of RM 51.5 billion in 2024, up significantly from RM 38.6 billion in 2023, with manufacturing — particularly E&E — remaining a major recipient. The rise in FDI signals growing international confidence in Malaysia's capability as a regional electronics and semiconductor hub.

• Construction & infrastructure :

Malaysia's construction sector continues to expand at a remarkable pace, sustaining strong demand for fasteners across civil engineering, residential, and non-residential segments. According to the Department of Statistics Malaysia (DOSM), the total value of construction work done reached approximately USD 9.1 billion in Q1 2025 and USD 9.3 billion in Q2 2025, amounting to over USD 18 billion within just six months. This high level of ongoing project activity translates directly into intensive and recurring consumption of standard fasteners, particularly anchor bolts, structural bolts, and self-tapping screws used throughout Malaysia's expanding infrastructure network.

Growth indicators remain robust. Construction output grew by 16.6% year-on-year in Q1 2025 and 12.9% in Q2 2025 (DOSM, 2025). These double-digit increases confirm that the industry's expansion is not cyclical or stagnant, but instead part of a steady upward trajectory — one that ensures sustained, predictable demand for fasteners as both public and private construction pipelines broaden.

A breakdown of project segments highlights the sources of this demand. In Q2 2025, of the total USD 9.3 billion in work done, around USD 3.47 billion (37.1%) was derived from civil engineering projects such as roads, railways, and utilities; USD 2.64 billion (28.2%) from non-residential buildings; USD 2.13 billion (22.8%) from residential projects; and roughly USD 1.11 billion (11.9%) from specialized trade activities, including site preparation and MEP works.

Quick Guide to Fastener Demand in Malaysia's Construction Market		
Project Type	Demand Type	Notes
Civil and Infrastructure Projects	Structural bolts and anchor bolts	Strong demand
Residential and Non-Residential Projects	Self-tapping screws and light fasteners	Large consumption
Specialized Subcontracting	Small precision fasteners	Lower value but steady demand, used in mechanical, electrical, and finishing works

For the full year 2024, the total value of construction work done reached approximately USD 33.8 billion, representing a 20.2% increase over 2023 (DOSM). Such magnitude illustrates that **Malaysia's construction industry is not only recovering but accelerating, creating a stable baseline market for standard anchor bolts, structural bolts, and related fastener systems used across the country's rapidly modernizing built environment.**



Conclusion

Malaysia's fastener and metal-processing industries are strategically positioned within the country's broader manufacturing ecosystem, benefiting from their integration with high-demand sectors such as automotive, electrical & electronics (E&E), and construction. Strong downstream capabilities, including precision stamping, cold heading, and coating/plating, allow local manufacturers to meet both technical and volume requirements for OEMs, Tier suppliers, and infrastructure projects.

The domestic market demonstrates steady growth, with industrial fasteners supported by rising automotive production — including the expanding electrified vehicle segment — robust E&E exports, and ongoing infrastructure and construction activity. Trade data further highlight Malaysia's dual role as both an importer and exporter of fasteners, underscoring its function as a regional assembly and re-export hub.

Sectoral analysis reveals diversified demand: automotive drives high and specialized fastener consumption; E&E requires precision fasteners for semiconductor and electronics assembly; and construction projects generate consistent demand for standard and structural fasteners. Together, these factors create a stable, recurring market, while Malaysia's growth in electrified vehicles, industrial automation, and national infrastructure projects points to increasing demand for technical and high-quality fasteners.

In summary, Malaysia's fastener and metal-processing industries enjoy solid technical capability, diverse sectoral demand, and growing market opportunities, positioning them well for sustained expansion. While challenges remain — including raw material volatility and competitive pressures — the combination of strong industrial integration, supportive government policies, and continued sectoral growth ensures that Malaysia remains a key hub for fastener production and metal-processing within the region.

¹<https://www.statistics.gov.my/portal-main/release-content/gross-domestic-product-gdp-by-state-20232023?utm>

²<https://www.credencereasearch.com/report/malaysia-industrial-fasteners-market?utm>

³https://www.maa.org.my/pdf/2024/Market_Review_2024.pdf?utm

⁴<https://www.trademap.org/>

⁵<https://theedgemalaysia.com/node/769994>

⁶<https://www.matrade.gov.my/en/about-matrade/media/press-releases/6363-malaysia-s-trade-performance-april-2025>

⁷<https://www.bernama.com/en/news.php?id=2438148>

⁸https://www.statistics.gov.my/portal-main/release-document-log?release_document_id=15505

Malaysia's growth in electrified vehicles, industrial automation, and national infrastructure projects points to increasing demand for technical and high-quality fasteners.

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