

South African Hand Tools Market and Trade Statistics Analysis

南非手工具市場及貿易分析

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According to Heritage.com, South Africa's economic freedom is the 106th freest in the world in 2020. On the other hand, South Africa is ranked 12th among 47 countries in the African region.

South Africa's GDP in 2019 was 789.4 billion USD, which showed a 1.1% growth annually in the past 5 years. Based on South Africa's population (57.7 million), its average GDP per capita is 13,675 USD and it is categorized as a developing country.

South Africa's Hand Tools Market

The value of South Africa's imported hand tools in 2019 was more than 43 million USD. Four countries were the biggest suppliers for South Africa's hand tools demand and these four countries as shown below filled 77.5% of South Africa's hand tool demand:

- **China** with 54.4% share of South Africa was the largest supplier.
- **USA** with 8.2% share of South Africa was the second largest supplier.
- **Germany** with 7.6% share of South Africa was the third largest supplier.
- **Taiwan** with 7.3% share of South Africa was the fourth largest supplier.

The size of South African market respectively in 2015-2019 is shown in the following table.

Unit: 1,000 USD

Exporters	2015	2016	2017	2018	2019
World	51,275	40,279	45,627	49,582	43,227
Growth	-	-21.4%	13.3%	8.7%	-12.8%

The value of South Africa's exported hand tools in 2019 was more than 24.5 million USD. Four countries were the main markets of South Africa's exported hand tools and these four countries bought more than 44% of South Africa's exported hand tools. South Africa exported:

- 18% to **Namibia**;
- 14.8 to **Botswana**; and
- 11.2% to **Mozambique**

The trend of South Africa's exported hand tools has been shown in the following table.

Unit: 1,000 USD

Importers	2015	2016	2017	2018	2019
World	30,740	22,086	24,772	25,297	24,542
Growth	-	-28.2%	12.2%	2.1%	-3.0%

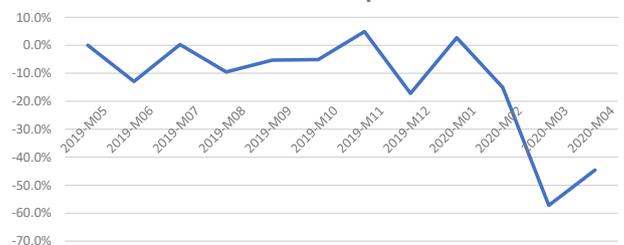
The year-on-year growth of South Africa's exported hand tools was negative between 2018 to 2019. In terms of export, it declined 3.0%, while in terms of import, it dropped by 12.8%.

The crippling effect of the global Covid-19 pandemic has intensified the downward trend of the South Africa's hand tools market.

Unit: 1,000 USD

World as Exporter			
May 2019	Jun 2019	Jul 2019	Aug 2019
3,838	3,343	3,783	3,413
-	-12.9%	13.2%	-9.8%
Sep 2019	Oct 2019	Nov 2019	Dec 2019
3,556	3,563	3,922	3,054
4.2%	0.2%	10.1%	-22.1%
Jan 2020	Feb 2020	Mar 2020	Apr 2020
3,661	3,008	1,742	1,962
19.9%	-17.8%	-42.1%	12.6%

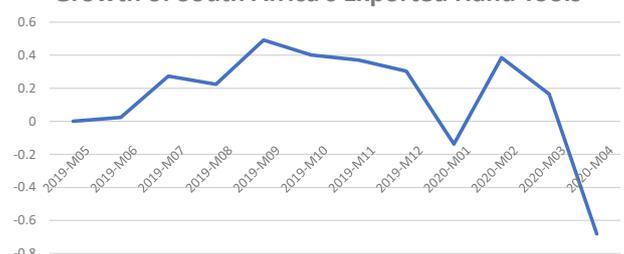
Growth of South Africa's Imported Hand Tools



Unit: 1,000 USD

World as Importer			
May 2019	Jun 2019	Jul 2019	Aug 2019
1,676	1,716	2,144	2,039
-	2.4%	24.9%	-4.9%
Sep 2019	Oct 2019	Nov 2019	Dec 2019
2,584	2,351	2,277	2,125
26.7%	-9.0%	-3.1%	-6.7%
Jan 2020	Feb 2020	Mar 2020	Apr 2020
1,187	1,809	1,410	217
-44.1%	52.4%	-22.1%	-84.6%

Growth of South Africa's Exported Hand Tools



Future of the Hand Tools Market in South Africa

The size of the global hand tools market in 2019 was about 16 billion USD and South Africa shared 0.4% (export + import) of it. Based on the statistics, this market is very likely to get 4% bigger by 2029. If South Africa wants to play a more effective role in this market, it should focus on general-purpose tools, because DIY activities are increasing in the world, and so is the number of customers demanding lightweight and durable hand tools. Online sales can be the best market (area) for South African fastener producers where they can be successful, followed by retail sales, owing to consumers' increasing preference for online shopping rather than purchasing from retail and speciality stores. Although I suggest South African suppliers should go to the Internet for selling their hand tools, this transformation has some vital rules.

In the real market (physical market) people like to buy from the leader of that market but the 2nd and 3rd players also have chance to sell their products. For example, Germany is the leader of high-tech fasteners in the world, but buyers also pay attention to Italian and American fasteners as high tech fasteners, too. In the virtual world (online market) people just trust the leader. Alibaba is the most famous B2B trading platform, and how many of buyers knows the name of the 2nd active website in B2B trading? If South African wants to be successful in the online business, they should make something different in comparison with Alibaba, for example, they introduce themselves as home kit hand tool producers, DIY kit producers

The Internet will demolish all barriers, boundaries, and borders. All web-based businesses can be global businesses, and so China, Germany, the U.S. as main players in this market will not allow South Africa to play easily. As a result, South Africa shouldn't try to include too many different hand tool types under a single brand. Stay focused and keep the original brand, instead of launching a new brand. South African hand tools players can improve their product hand-outs by investing in research and development activities and offering innovative hand tools. For this aspect making joint venture contracts with European and American manufacturers can be helpful.

Factors Shaping the Hand Tools Market

Ergonomic Design of Hand Tools

Major players in the hand tools market are focusing on ergonomic design elements of hand tools to make them precise and comfortable to operate.

Multi-featured Hand Tools for Various Applications

The hand tools market is mainly growing due to multi-purpose features of hand tools such as reduced tool kit size, weight and maintenance, and growing preference for many-in-one tools for multiple applications across various industries.

Increasing DIY Activities

Increasing consumer inclination towards leisure and recreational activities along with rising disposable incomes of people across the globe is leading to growing uptake of DIY activities. Moreover, rapid growth of the automobile industry has created an impact on consumers to perform DIY activities on their own vehicles for temporary maintenance and repair purpose owing to rise in expensive repairs and maintenance of automobiles, primarily for four wheelers. This provides tremendous potential for manufacturers of hand tools to introduce new and innovative products in the market, in order to compete with the innovation and ease of power tools. Statistics show that, household & DIY segment accounted for 5.9 billion USD in the global hand tools market in 2015 and is estimated to increase to 9 billion USD by the end of 2027.

Last Word

The hand tools market is a highly fragmented landscape, wherein main players grasp a majority of revenue shares. South Africa should compete with the U.S., Germany, China, and India. The weak point of the competitors is that they are expanding their product listings yearly and South Africa should focus on one tool and then get professional on it (i.e., move to the side opposite to their competitors). Key focusing and branding in the hand tools market are aiming for market penetration in North America and Western European regions, where most of the people carry their own hand tool kits. Therefore, if South Africa wants to be successful in the hand tools business, it must create a need in customers' minds with innovative home kit tools.

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