

Emerging Fastener Markets News

全球新興
市場新聞

compiled by Fastener World

Industry Development

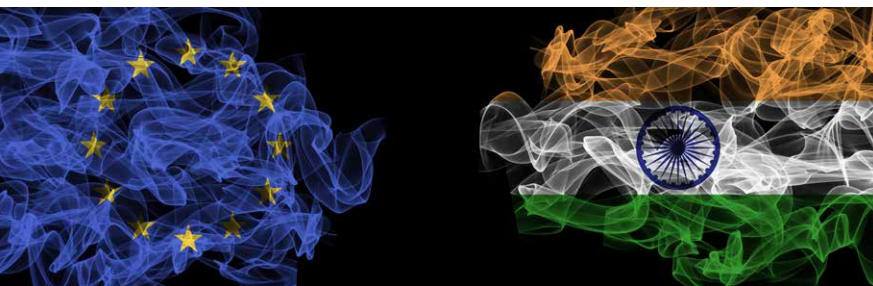
Indian Steelmakers May Be Mandated to Use Partial Capacity for Green Steel Manufacturing

印度鋼鐵企業可能被強制將部分產能用於生產綠色鋼鐵

Green steel refers to the production of steel without relying on any fossil fuels. Union Steel Minister Jyotiraditya Scindia hinted that the Indian government may make it mandatory for steelmakers to devote a part of their capacity to green steel manufacturing in the future. The government may also look at ways to ensure greater usage of the green steel in government projects as well, he added. Scindia said the private sector steel users in India are actually moving towards committing to more and more green steel in their projects and also noted that some manufacturers have already launched branded green steel products. The minister said breakthrough technologies and disruptive innovations like hydrogen-based steelmaking coupled with carbon capture, utilisation and store (CCUS) hold huge promise for the future.

He said India has emerged as the epicentre for the evolution and growth of the steel sector globally and has been able to achieve landmarks like production touching 125 million tonnes and consumption growing over 11 percent in the last nine years. In 2022, even as the global finished steel production declined by 4.2 percent, India could post a 6 percent growth, he said, adding that the per capita steel consumption has now increased to 78 kgs from 57 kgs in 2014.

The overall growth has made investors interested in the sector, and the government in March signed 57 pacts with 27 companies under the production-linked incentive (PLI) scheme, which will add 25 million tonnes to the steel capacity, he said. The capacity addition will see investments of Rs 30,000 crore and also create 60,000 jobs, he added.



India Intends to Appeal Against CBAM Through WTO

印度不滿CBAM課碳稅 打算狀告WTO

The European Union aims to become a climate-neutral economy by 2050, ahead of India's target of 2070. Senior Indian government officials and industry sources have revealed that the EU is proposing to impose tariffs of 20 to 35 percent on high-carbon emission goods such as steel, ore and cement imported from India, for which India intends to

file a complaint with the World Trade Organization.

"The EU is erecting high trade barriers in the name of environmental protection to hit exports from India and many other developing countries," said a senior Indian government official. India intends to sue EU through WTO and seek relief for exporters, especially vulnerable small businesses.

Another government official involved in WTO affairs said India considers EU's proposed carbon tax as discriminatory and tantamount to a trade barrier, and mentioned that New Delhi will abide by the UN's Paris climate agreement, questioning the legality of EU's carbon tax. Ajay Sahai, director general of the Federation of Indian Export Organizations (FIEO), said steel and small manufacturers need more time to meet the EU standards, and that these industries will eventually have to reduce emissions to remain globally competitive.

FIEO also warned that free trade agreements between India and other countries, as well as trade agreements developed by the European Union, may be impacted by CBAM and become "all for nothing," because the carbon tax will increase the price of many exports by nearly one-fifth, and trading partners hit by the carbon tax may dump their goods into India.



Thai Exporters Look for Opportunities in New Green Trade Rules

泰國出口商盼在新的綠色貿易規則中尋找機會

New global trade rules to reduce climate change may create an opportunity for Thai entrepreneurs to align with global trends, according to Keerati Rushchano, permanent secretary at the Ministry of Commerce of Thailand, who attended the “Innovation Keeping the World” seminar in Bangkok on June 7.

Environmental trade regulations now play an important role in global trade due to the impact of climate change, but Thai entrepreneurs should not panic or fear because the Thai Ministry of Commerce and relevant authorities are ready to help businesses cope with the new rules. The main risk for Thai exporters is not to take the upcoming environmental trade regulations of other countries seriously.

Many countries or regions are currently implementing environmental trade regulations, such as the European Union, the United States and Australia. The EU’s Carbon Border Adjustment Mechanism (CBAM) will impose taxes on carbon-intensive imports from January 1, 2026.

Thai entrepreneurs can prepare for environmental trade regulations by (1) using innovative methods and technologies in their production processes that comply with the new global trade regulations; (2) preparing data such as carbon footprint assessments, source of materials and operation traceability to demonstrate compliance with the new environmental regulations; and (3) using compliance with the new environmental regulations to attract new consumers.

Vietnam to Start Construction of 5 Major Transportation Projects by the End of 2023

越南2023年底前將動工興建5個重大交通工程

Uong Viet Dung, Director of the Office of the Ministry of Transportation of Vietnam, said on July 10, 2023 at a meeting on the Ministry’s first-half results and second-half work plan, that by the end of this year, the ministry will start five major transportation projects, including the crossroads connecting Cho Chu and Trung Son, a road connecting Rach Soi and Ben Nhat, a road connecting Go Giao and Vinh Thuan, an expressway connecting Hoa Lien and Tuy Loan, and Dai Ngai Bridge, which pass through the roads of Ho Chi Minh City.

Director Uong said that in the first half of the year, the ministry has completed and started operating a number of major transportation projects to meet the demand for usage, including the expressway connecting Phan Thiet to Dau Giay, Vinh Hao to Phan Thiet, and Nha Trang to Cam Lam. In addition, the upgrade of the railroads from Hanoi to Vinh City and from Vinh City to Nha Trang City has been completed.



Vietnam Faces the Largest Impact from Imports of China-made Steel

中國低價鋼鐵入侵，越南成最大受災戶

Recently, China has entered the market with a large amount of low-priced steel. In response to China’s price cutting competition, Formosa Ha Tinh Steel Corporation (FHS) in Vietnam intended to lower its domestic order price in July by another US\$50 to US\$70 per metric ton for hot rolled and wire products, and US\$20 to US\$30 per metric ton for wire.

China has produced an excessive amount of steel, so it is turning to the Southeast Asian market, especially Vietnam with emerging electronic, industrial and OEM markets. A major Chinese northeastern company’s low-carbon wire price fell 40 to 50 U.S. dollars per metric ton compared to the previous month, landing at just 620 to 630 U.S. dollars, a very low price range.

Due to the continuous price cuts by Chinese steelmakers, FHS has reduced its domestic product prices several times from May to June, including a US\$20 cut for wire in May and another US\$15 cut in June to cope with the risk of being challenged by Chinese steel.

In response to FHS’ price cuts, Taiwan CSC said it is not affected for the time being, but will continue to tap into refined steel to reduce the impact. Imported steel from China is only about 600 U.S. dollars per metric ton, which is much lower than Vietnam’s price of 680 to 690 U.S. dollars, so Vietnamese steel is subject to competitive pressure.



U.S. Imposes 200% Tariff on Russian Aluminum

美對俄鋁徵收200%關稅

Aluminum is often used in fuselage, bolts and window & door frames. In a thorough effort to combat Russian circumvention of sanctions, U.S. White House announced a 200% tariff on Russian aluminum and related aluminum products, which has been effective since March 10. Russian aluminum accounts for about 1/10 of U.S. imports, and buyers range from the automotive to construction industries. The White House said it is planning to extend the sanctions to Russian metals and mining industries, but the move must be carefully planned to minimize the impact on the market.



New Zealand Steel

New Zealand Subsidizes "Green Electricity Steelmaking", Equivalent to Reducing Carbon Emission of 300,000 Cars

紐西蘭補助「綠電煉鋼」相當於削減30萬輛汽車行駛的排碳量

On May 21st, 2023, New Zealand announced the implementation of the largest carbon reduction program in the country's history. The government will spend US\$140 million to subsidize the steel giant NZ Steel, which expects the steel mill in Glenbrook to switch from coal-based steelmaking to renewable electricity, a policy that the government says is equivalent to cutting carbon emissions from 300,000 running cars. "The grant program demonstrates the importance the New Zealand Government places on reducing carbon emissions as quickly as possible, and working with NZ Steel on this program will have significant environmental benefits and accelerate New Zealand's decarbonization process. This partnership is only possible because of government funding," said Prime Minister Higgins. The New Zealand government mentioned that the US\$140 million subsidy to Steel New Zealand was drawn from the Government's Carbon Reduction and Transformation Industry Fund (GIDI). With a total amount of US\$650 million, GIDI not only assists New Zealand's R&D in carbon reduction technology, but also works with industry and government to reduce carbon emissions and accelerate the establishment of a zero-carbon energy system. If this carbon reduction program runs smoothly, it is estimated that New Zealand's carbon emissions will be reduced by 800,000 tons per year, which is equivalent to removing the carbon emissions of all cars in Christchurch, the largest city in New Zealand's South Island. NZ Steel accounts for 2% of New Zealand's annual greenhouse gas emissions. However, once this decarbonization program is achieved, it will reduce New Zealand's total carbon dioxide emissions by 1%, help New Zealand achieve its Net Zero goal by 2050, and move towards the vision of "limiting global warming to 1.5 degrees Celsius". Climate Change Minister James Shaw believes the program will help the government reduce its carbon tax bill in the long term, saying, "This program will reduce New Zealand's carbon emissions by about 5.3% in the second phase of the carbon budget from 2026 to 2030, and by about 3.4% in the third phase of the carbon budget from 2031 to 2035."

Malaysian Government Develops Strategic Roadmap to Accelerate Energy Transformation

馬來西亞政府刻正制定策略路線圖，以加速能源轉型計畫

Malaysia has revised its Nationally Determined Contribution (NDC) to reduce greenhouse gases by 45% by 2030, Prime Minister Anwar Ibrahim said in his keynote speech at the Asian Energy Congress 2023. The country's efforts to realize the NDC have been incorporated into the 12th Malaysia Plan (12MP) and the National Energy Policy 2022-2040 (NEP 2040).

The Malaysian government is in the process of developing several strategic roadmaps, including the National Energy Transformation Roadmap (NETR) and the Hydrogen Economy and Technology Roadmap. The most important of these is the National Energy Transformation Roadmap, which will be supported by the hydrogen economy and the Technology Roadmap and will pave the way for Malaysia to achieve environmental sustainability and long-term energy security through technological innovation. Both roadmaps are expected to be launched in the second half of 2023.

Meanwhile, Malaysia continues to recognize that natural gas plays an important role in the energy mix and is one of the cleanest hydrocarbons for the transition to a low-carbon economy. At the same time, the Malaysian government is committed to joining the Global Methane Pledge to reduce methane emissions by 30% by 2030.





Not just the Next China! India to Become a Superpower Economy According to Research

不僅是下個中國！研調：印度將成為超強經濟體

Due to the U.S.-China technology war that continues to promote India's position in the international market, the U.S. research institute Riedel pointed out that India is not the new China, and that it will be in accordance with its own rhythm and pace forward. The institute is optimistic that India will be able to achieve high growth as a super emerging power. CNBC reported that David Riedel, CEO of Riedel, prefers and is very optimistic about India over China because the Indian economy is much larger than China's. In addition, he believes that India's economy is likely to exceed expectations over the next six months to two years, and he emphasized that "India, whether in the past or the future, is a very different country from China".

However, India also has some problems to solve. India's economy has long been stagnant in the middle-income level, and has not yet entered the ranks of high-income countries, but David Riedel believes that India will have the opportunity to achieve higher economic growth than expected in the future. On the other hand, the economic outlook for China is a little bleaker. David Riedel predicts that China will not be as strong in the next five years as it has been in the past five years, as more and more foreign companies decide to move their supply chains and factories out of the country, resulting in more and more young people being unemployed in China, with the unemployment rate of young people between the ages of 16 and 24 climbing to a record high of 20.8% in May, according to statistics. In addition, China recently released a series of lower-than-expected economic data, from which we can see that its economic growth trend is gradually slowing down. In addition, China's factory activity has been in contraction for the third consecutive month. China's manufacturing PMI (Purchasing Managers' Index) was 49 in June and non-manufacturing PMI was 53.2, both a record low this year.

Aerospace Fasteners Market to Garner US\$11.31 Billion by 2030

航太扣件市場2030年將達113.1億美元規模

The Brainy Insights predicts the global aerospace fastener market is to grow from USD 6.17 billion in 2021 to USD 11.31 billion by 2030, at a CAGR of 6.96% during the forecast period 2022-2030. The increasing aircraft modernization projects in various nations and growing passenger willingness to fly by air are anticipated to boost demand for aerospace fasteners. Moreover, the growing import & export operations have resulted in higher air traffic, and the adoption of 3D & robotics technology supports the market's growth during the forecast period. Further, the increase in demand for aerospace fasteners for defense systems in military helicopters and fighter jets is also anticipated to boost the growth of the aerospace fastener market.



Structural Wood Screws Market to Hit US\$7.5 Billion by 2032

結構性木螺絲市場到2032年將達到75億美元規模

The structural wood screws market is expected to cross a valuation of USD 7.5 billion by 2032, according to the latest research report by Global Market Insights Inc. The industry growth is driven by the increasing demand for these screws in construction and home improvement projects. Expansion of the construction industry has led to the extensive usage of these screws for framing, decking, and other structural applications. Additionally, the growing popularity of DIY projects among homeowners is likely to support the business expansion. As more and more people are taking up DIY projects to save money and customize their homes, the demand for these screws is expected to increase further. The carbon steel structural wood screws market is set to gain immense traction from 2023 to 2032 owing to the robust expansion of the building sector in emerging nations and growing public awareness of the advantages of utilizing high-quality building materials. Carbon steel screws are ideal for use in building projects due to their high tensile durability and sturdiness. Additionally, they are less prone to corrosion and rust, which increases their lifetime, and contributes to their higher acceptance rate. The structural wood screws market has been steadily growing from the furniture and crafts application segment as more manufacturers and DIY enthusiasts use these screws in their projects. One of the primary benefits of structural wood screws is their capacity to withstand heavy weights, which makes them ideal for use in furniture where weight and pressure are a concern. Structural wood screws are used in the arts and crafts business to make a range of things, including picture frames and birdhouses, which are likely to foster segment growth through 2032. The structural wood screws industry in Europe is set to register significant growth through 2032 as more constructions are opting for wood-based structures. With the increasing focus on reducing carbon footprints, there is a growing preference for wooden structures over concrete and steel. Moreover, as the demand for wooden structures continues to grow, the regional market is set to record substantial development through 2032.



Companies Development

Sheh Fung Screws Expands Sales to the Auto Fastener Supply Chain

世豐打入車用扣件 越南廠明年首期貢獻6億台幣營收



sheh fung
screws company
世豐螺絲股份有限公司

Sheh Fung Screws reported good news that it shipped a small amount of car seat fasteners to Chrysler this June. It is also developing battery module fasteners. In addition, new product sales achieved good results with the cumulative order value reaching 70 million NTD from last October to this June. Its Vietnam plant will be completed at the end of this year, which is expected to start manufacturing standard products in Q1 2024 and sell to Europe, and the initial production capacity will be 600-800 tons per month, which is estimated to contribute NTD 600 million to Sheh Fung's revenue a year.

Sheh Fung General Manager Kent Chen said that Taiwan's fastener prices have gone down last year because of lower raw material prices. The beginning of this year saw a little raise, but the recent market showed the prices were down again. Customers will certainly wait and see, but he believes that the steel market has almost reached the low point. The prices could go lower but not too much. The third quarter of this year is the bottom; the fourth quarter can be better than the third quarter. On the other hand, Sheh Kai Precision, a major manufacturer of composite screws, has benefited from the promotion of the solar industry by various countries this year, and orders for self-drilling screws are visible through the end of the year.

Sheh Kai Precision believes that the uptrend will last at least for 2-3 years and has expanded its production capacity to 7 million pieces per month, aiming to raise it to 15 million pieces. Due to limited space at Sheh Kai Precision's plant, Kent Chen said he could rent the land of Sheh Fung Screws in Vietnam, and the two companies will combine resources of each other.

Bulten Enters into Agreement to Acquire Exim & Mfr Holdings Pte Ltd.

Bulten 將併購新加坡Exim & Mfr Holdings Pte Ltd.

Bulten has entered into an agreement to acquire all shares in Exim & Mfr Holdings Pte Ltd "Exim", an Asian, Singapore-based distributor of fasteners and other components, for a purchase sum of approximately SGD 66.3 million (SEK 530 million) on a cash-free and debt-free basis. The acquisition affords Bulten a good platform to grow in new sectors, where the distribution stage is a pivotal sales channel.

BULTEN



The acquisition is expected to contribute to Bulten's development and earnings, and to increase earnings per share. Exim gives Bulten access to a large, broad customer base in growth sectors in a dynamic region. The acquisition is an important part of Bulten's strategy, which aims for growth outside of the company's primary customer group of automotive, and to improve risk diversification, as well as margins.

Anders Nyström, President and CEO of Bulten Group, comments: "Our strategy sets out a clear focus on balancing our sales through growth in customer groups beyond the automotive industry. The aim is for these to account for at least 20% of sales by 2025. The acquisition of Exim takes us into the distribution stage, which is a key to profitable growth in new sectors. Exim is a well-managed company with an international customer base and developed processes for distribution and Vendor Managed Inventory (VMI), which is suitable for industries with completely different purchasing patterns than Bulten has historically been used to.

Exim's base in Singapore is also highly attractive. It enables us to take advantage of the strong growth in that region, and we also see potential in using Exim's sales network to increase sales for our factories in China and Taiwan. Exim will, together with Bulten's rapidly growing business to consumer electronics customers, constitute the beginning of a new industrial segment."





New Best Wire Industrial Strengthens Overseas Presence and Implements Carbon Reduction

強新工業強化海外布局東協與印度、落實減碳

New Best Wire Industrial is a major wire rod manufacturer and is optimistic about the future economic development of ASEAN. In recent years, they have set up a factory in Vietnam and focused on the development in the ASEAN and Indian markets, to take advantage of multiple production locations and regional complementary strategies to reserve operational momentum. As for the future outlook, they pointed out that the economy turned around in the fourth quarter of last year and they are not optimistic about the first half of this year. Unit price and market demand are slowing down so they are taking conservative actions, but they have high hopes for Vietnam and ASEAN and are not ceasing overseas investment. Currently, they have acquired 66,116 square meters of land for its Vietnam plant, with the current capacity of about 1,000 tons per month. After completing the construction of the STC furnace, they will reach 5,000 tons per month by 2025. They are actively pursuing business opportunities in the ASEAN and Indian markets. Although wire rod is an energy-consuming industry, they have long focused on environmental sustainability issues and are actively promoting ESG, with advance deployment of energy saving and carbon reduction. They have established an energy saving team since 2006 and a sustainability team in 2022, with environmental, social responsibility, corporate governance management guidelines and specific action plans disclosed in the sustainability report. In terms of energy saving in production lines, all boiler fuels have been changed from heavy oil to natural gas (LNG), and all STC annealing furnace fuels have been changed from propane (LPG) to natural gas, significantly reducing carbon emissions. In addition, the solar power generation system is expected to be completed within two years. New Best Wire Industrial said that the Taiwan plant's overall revenue will grow 2.6% in 2022. They have reduced greenhouse gas emissions by 3.5% (which is 1,200 tons) and waste by 4.9% (which is 342 tons).



Alliance Global Technology Enters China and Southeast Asia with Dental Implants

全球安聯Anker人工牙根 打入大陸、東南亞

Established in 1986, Anchor Fasteners Industrial is a leading manufacturer of expansion bolts, riveting fasteners, rivet nuts, auto and motorcycle parts, special fasteners, and machined fasteners. The brand "Anker" dental implants created by Alliance Global Technology affiliated to Anchor Fasteners Industrial has been certified by China Food and Drug Administration (CFDA) and has tapped into China and Southeast Asia.

At present, in addition to obtaining CEOI20 product certificate for the EU market, as well as the FDA certificate, Alliance Global Technology is the only domestic manufacturing company that is comparable to European and American brands and OEM/ODM OEM for European and American dental implant manufacturers. The Anker brand will head to the U.S., Europe and South Korea.

Leading Chinese Auto Parts Company Invests RMB1.5 Billion in Zhongde Industrial Park

總投資15億元人民幣 汽配龍頭企業落戶瀋陽中德產業園

On May 28, the construction of Huaxiang New Energy Auto Parts Industrial Park was officially launched within Zhongde (Shenyang) High-End Equipment Manufacturing Industrial Park. It is reported that the project of Huaxiang New Energy Auto Parts Industrial Park, with a total investment of RMB 1.5 billion, is a modernized park integrating R&D, production and sales. The park is planned to have a total construction area of about 120,000 square meters, mainly containing R&D and testing centers, industrial plants, comprehensive office buildings and related ancillary facilities. After the project is completed, it will mainly support Brilliance BMW's new energy vehicles with automobile chassis, interior and exterior parts and battery shells, as well as develop upstream and downstream business related to the auto parts industry. The park is planned to be completed and put into production in May 2024. After the project reaches production target, it is expected to add an annual output value of RMB 1.8 billion and an annual tax of RMB 80 million.



SAIC Group's New Energy Vehicles to Expand Overseas

上汽新能源“加速拓展海外市場”

From April 26 to 29, Shanghai Mayor led a delegation from Shanghai to Indonesia to promote high-level and pragmatic cooperation between Shanghai and Indonesia to build a link between China and Indonesia.

During his meeting with Minister of Maritime and Investment Coordination, the Shanghai Mayor said he would further deepen the economic and trade relations and industrial cooperation between Shanghai and Indonesia, support enterprises to expand two-way investment cooperation, and welcome more Indonesian enterprises to participate in expositions. The Mayor and the Minister witnessed the signing of a Memorandum of Understanding for SAIC-GM-Wuling Indonesia's new energy vehicle project.

On April 30, SAIC Group announced that its subsidiary SAIC-GM-Wuling and the Ministry of Marine and Investment Coordination of Indonesia officially signed a memorandum of understanding on new energy vehicle investment projects, which will actively expand investment in Indonesia, and introduce more new energy vehicles to the local market.



上汽集团

Changhua Holding Group's 1st Phase High Strength Automotive Fastener Production Line

長華集團汽車高強度緊固件生產線一期建設

Changhua Holding Group (formerly Zhejiang Changhua Auto Parts) intends to invest a raised capital of RMB351 million in building a production line with an annual capacity of 2 billion pieces of high-strength automotive fasteners. Upon completion of Phase I, the production line will be able to produce 925 million pieces of high-strength fasteners per year, which will provide important support for the Company's strategic development goal towards high-end and automated fastening products.



The main plant has been completed and two fully automatic electroplating production lines have been installed. The installation of a wastewater treatment system together with the electroplating line has been completed. Also completed is the installation of a spheroidized annealing furnace with protective atmosphere imported from Japan, with a production capacity of 1,900 tons per month.

Finework (Hunan, China) New Energy Technology to Set up Operations in Hong Kong and Vietnam

飛沃科技擬在香港與越南設立據點

Finework New Energy Technology is a company specializing in the development and manufacture of high strength fasteners and provides total fastening solutions to customers. The company intends to establish a wholly-owned subsidiary, Finework International, in Hong Kong with a capital of HK\$20 million.

After the establishment of Finework International, the company intends to use Finework International to co-found Finework (Vietnam) Fastener Manufacturing (capital: US\$2 million) in Vietnam with another company, where Finework International accounts for 95% of the capital and the other company accounts for 5%.

FINEWORK

