



# Interview with HKSFC Chairman Mr. Tsui Ping Fai

## Q1

Can you tell us about the performance of Hong Kong fastener industry so far this year?



grew compared to 2023, with exporters remaining optimistic. Overall, the production and sales across various industries in Hong Kong are exhibiting slight growth amidst stability. Notably, exports from Hong Kong rose by 12.5% year-on-year during the first five months of 2024. Orders for fasteners were largely driven by a surge in orders for electronic products, which spurred a rapid rebound in exports, and were also supported by a recovery in some market demands and eased supply chain disruption. However, this increase partially reflects last year's low baseline, indicating that the overall market sentiment remains cautious.

Hong Kong's Merchandise Export (By Industry)

	2023		Jan-May 2024	
	HKD 100 Million	Growth%	HKD 100 Million	Growth%
Electronics	29,397.30	-10.5	12,850.38	+15.5
Valuable Jewelry	877.54	+23.0	340.23	+2.0
Watches	545.11	-0.5	205.15	-8.1
Clothes	511.67	-4.4	186.56	-5.0
Toys	174.90	-18.2	50.27	-29.0%
All Products	<b>41,774.05</b>	<b>-7.8</b>	<b>18,100.87</b>	<b>+12.5%</b>
Projected export growth for 2024				

Source: HKTDC

## Q2 What factors do you think contributed to this result?

The performance of the fastener industry this year is influenced by several key factors. There has been a significant increase in demand for fasteners and hardware parts from many manufacturing facilities in China and ASEAN countries, which is a primary reason for the improved performance of the fastener industry. However, the slow recovery of the global economy, particularly with demand growth in Europe and the U.S. falling short of expectations, has directly impacted Hong Kong's exports. Additionally, supply chain pressures have eased and the issues with transportation costs and delivery times have improved, providing favorable conditions for businesses. Furthermore, demand from the Chinese market remains stable, especially the demand from the manufacturing and infrastructure sectors.

## Q3

Are there any major challenges facing Hong Kong's fastener industry this year?

**HKTDC** has identified several challenges facing the Guangdong-Hong Kong-Macao Greater Bay Area in 2024:

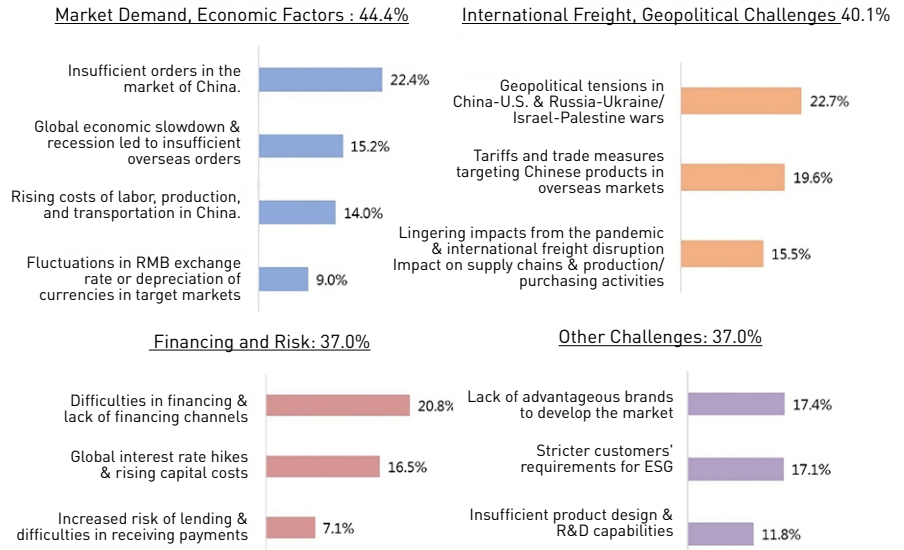
- 93.9% of surveyed companies reported facing various challenges, primarily stemming from market demand/economic factors (44.4%), international freight/geopolitical issues (40.1%), and financing and risk-related problems (37.0%).



- **Global economic uncertainty:** Ongoing instability in U.S.-China trade relations and international market demand continue to affect Hong Kong's export business.

- **Fluctuations in raw material prices:** Persistent volatility in steel and other raw material prices has increased production costs.

- **Rising labor costs:** Labor shortages and wage increases have put pressure on operational costs for small and medium-sized fastener companies.



Source: HKTDC Survey

## Q4

**new demands for fasteners in the near future?**

Despite existing challenges, there are still potential opportunities within Hong Kong's fastener industry over the next few years. The ongoing electrification of vehicles globally and developments in new energy infrastructure are expected to drive an increased need for high-precision and corrosion-resistant fasteners. In particular, growth in infrastructure investment within Asia is expected to be a significant factor driving demand for fasteners.

## Q6

**In the face of unavoidable global competition, what do you think Hong Kong fastener manufacturers can do to demonstrate their competitiveness, and what are still the strengths of Hong Kong manufacturers?**

Hong Kong fastener manufacturers should focus on the following to maintain competitiveness:

- **Technological innovation:** Enhancing automated production lines and digital technology applications to improve efficiency and precision.
- **Flexible services:** Hong Kong companies have flexible international network along with specialized technical capabilities and customizability to quickly respond to diverse customer needs for special functions—this is a significant advantage in global competition.
- **Rich experience with international market:** Hong Kong's fastener industry has accumulated extensive experience in operating globally, which helps address varying regional market demands and standards compliance.

## Q5

**What area is Hong Kong's fastener industry currently focusing its product development on?**

Currently, the product development within Hong Kong's fastener industry is concentrated on:

- **EV sector:** The application of lightweight and high-performance fasteners to electric vehicles is gradually increasing.
- **High-precision engineering:** Companies in Hong Kong are developing highly durable and high-strength fasteners aimed at aerospace and defense sectors.

## Q7

**What are your observations on the current market demand for fasteners in Hong Kong?**

Demand in the domestic market primarily stems from sectors such as electric vehicles, construction, infrastructure development, and electronic product assembly. With advancements in smart city construction and efforts to push for localized language support in manufacturing, there is an upward trend in demand for precision and high-performance fasteners.



Q8

What quarterly meetings and events has HKSFC planned for the new year?

Hong Kong Screw and Fastener Council, along with HKTDC, plans to organize multiple industry conferences and exhibitions throughout 2024-2025, which include visits to RCEP countries and Mexico to focus on technological innovation and international collaboration. Specifically targeting the Asia-Pacific region, we will enhance technical exchanges within the industry while promoting sharing and collaboration on new technologies and materials.

Q9

Have you achieved any goals or accomplishments (including international exchanges) since you took over the chairmanship?

Since assuming the role of chairman, several achievements have been realized—particularly in promoting international collaboration and enhancing global influence of Hong Kong's fastener industry. Industry-wide technical collaboration has been facilitated across various international platforms. For example, we collaborated with institutions like Vocational Training Council and Hong Kong Productivity Council to give training courses focusing on application of advanced metal materials in cold forging technology of customized precision fasteners, as well as having technical exchange with Southeastern fastener counterparts and universities.

Q10

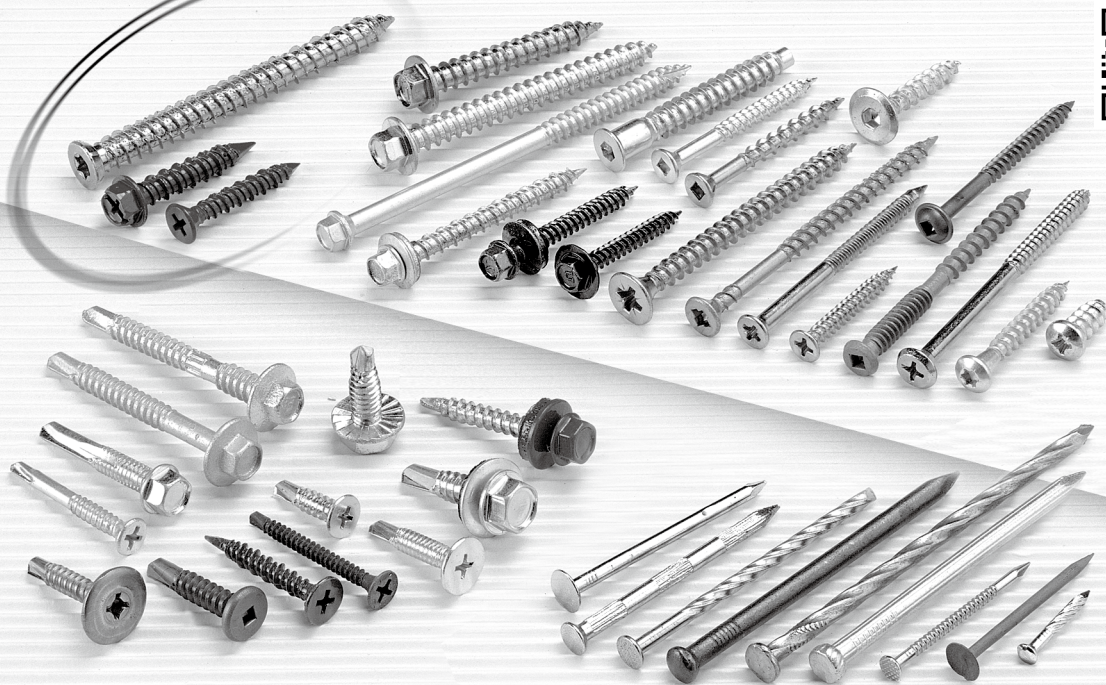
What are your expectations for the global fastener industry in 2025?

Looking ahead to 2025, it is anticipated that the global fastener industry will continue evolving towards smarter and more environmentally friendly solutions. The Southeast Asian market is expected to become a major driver of demand growth for fasteners. If Hong Kong's fastener industry can continue strengthening its technological innovations and international collaborations, it will be more well-positioned within the global marketplace.

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Interviewer: Gang Hao Chang, Vice Editor-in-Chief

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