

2022-2023第一季馬來西亞緊固工具貿易統計

Fastening Tools Trade Statistics of Malaysia in 2022 Through Q1 2023



Introduction

The fastening tools market in Malaysia has witnessed significant growth in recent years, driven by various factors such as infrastructure development, construction projects, and the growing manufacturing sector. This article aims to provide trade statistics and insights into the fastening tool market in Malaysia from 2022 through Q1 2023, including key trends, and prospects for the industry.



Growing Demand in Construction and Manufacturing

The construction industry in Malaysia has been experiencing steady growth, with numerous infrastructure projects in progress across the country. These projects, including commercial buildings, residential complexes, and transportation networks, require a wide range of fastening tools for various applications such as drilling, screwing, and nailing. Some of the major mega projects include but are not limited to the upgrade of the Klang Valley Double Track (KDVT) Phase 2 and acceleration of ongoing projects, such as the East Coast Rail Link and the 5G network rollout.

Similarly, the manufacturing sector's expansion has increased the demand for fastening tools in assembly and production lines such as semiconductor production facilities as well as automotive manufacturing.



Shift Towards Electric and Cordless Tools

One noticeable trend in the fastening tool market is the increasing preference for electric and cordless tools. These tools offer enhanced mobility, convenience, and efficiency compared to traditional manual or pneumatic options. The shift towards electric and cordless tools can be attributed to advancements in battery technology, providing longer runtimes and faster charging capabilities. Manufacturers are introducing innovative features such as brushless motors, ergonomic designs,

and smart connectivity, further boosting the appeal of electric and cordless fastening tools.

According to the analysis by Data Bridge Market Research, the power tool market in Malaysia is projected to experience substantial growth from 2022 to 2029. It is anticipated to register a notable compound annual growth rate (CAGR) of 4.9% during this period, reaching a market value of USD 577.73 million by 2029. The robust expansion of Malaysian power tool market can be attributed to factors such as the rising popularity of cordless power tools and the widespread integration of brushless motors in power tools, enhancing their efficiency and performance. These trends reflect the growing demand for advanced and user-friendly power tools among professionals and DIY enthusiasts in Malaysia.



Rise of E-Commerce and Online Distribution Channel

The emergence of e-commerce platforms and online distribution channels has significantly impacted the fastening tools market in Malaysia. Online platforms provide a convenient and extensive marketplace for both consumers and businesses, offering a wide range of products, competitive pricing, and doorstep delivery. This trend has allowed smaller and niche fastening tool manufacturers to reach a broader customer base and compete with established brands. Additionally, online platforms facilitate easy product comparisons, customer reviews, and efficient supply chain management.



Key Players and Competitive Landscape

The fastening tool market in Malaysia is characterized by the presence of both local and international players. Established global brands dominate the market, offering a diverse range of high-quality fastening tools. The international players have a strong distribution network, brand reputation, and extensive prod-

uct portfolios. Local manufacturers also contribute to the market with their specialized products and cater to specific customer segments.



Import and Export Dynamics

The fastening tool trade in Malaysia plays a crucial role in meeting the market demand for various types of tools and equipment. The country serves as both an importer and exporter of fastening tools, facilitating the flow of products within the domestic market, and engaging in international trade.

Imports

Malaysia imports a significant portion of its fastening tools to cater to the growing demand from various industries. The imports encompass a wide range of products. The main sources of fastening tool imports include countries such as China, Japan, Germany, the United States, and Taiwan. These countries are known for their established manufacturing capabilities, product quality, and competitive pricing.

Based on Department of Statistics Malaysia (DOSM), we can observe the import trends for HS Code 8467 (i.e., tools for working in the hand, pneumatic, hydraulic or with self-contained electric or non-electric motor) in Malaysia (Graph 1). China has been the largest exporter of these tools, followed by Japan, Hong Kong, and Singapore. It is interesting to note the significant increase in imports from Hong Kong in quarters one and two in 2022. Other countries like Brazil, Taiwan, Germany, and the USA also contribute to the import volume, albeit at a lower scale. The figures in the right chart are in million USD.

In 2023, China's dominant position as the main exporter of these tools to Malaysia is expected to continue, given its strong manufacturing capabilities and competitive pricing. **Japan, known for its advanced technology and quality products, is likely to maintain its position as the second-largest exporter. Hong Kong and Singapore, being important trade hubs in the region, are expected to sustain their contributions to Malaysia's imports of these tools.** While other countries like Brazil, Taiwan, Germany, and the USA play a smaller role in terms of import volume, they still contribute to the overall supply of these tools in the Malaysian market.

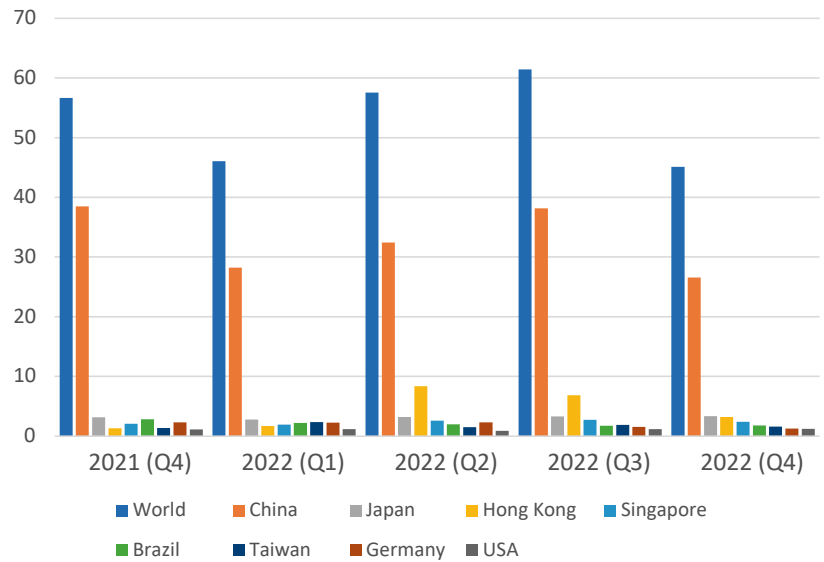
Overall, the import trend for fastening tools in Malaysia remained of consistent in Q1 2023, with some progress and improvements in the numbers.

Exports

While Malaysia primarily relies on imports to meet its fastening tool requirements, it also participates in the global market by exporting its locally manufactured products. Malaysian fastening tool manufacturers have gained recognition for their

Graph 1. Malaysia's HS Code 8467 Import Sources

(in million USD)



Source	2021 (Q4)	2022 (Q1)	2022 (Q2)	2022 (Q3)	2022 (Q4)
World	56.642	46.067	57.563	61.434	45.113
China	38.465	28.24	32.419	38.17	26.575
Japan	3.151	2.762	3.216	3.308	3.338
Hong Kong	1.295	1.672	8.367	6.858	3.216
Singapore	2.08	1.895	2.558	2.743	2.374
Brazil	2.828	2.193	1.976	1.728	1.767
Taiwan	1.346	2.345	1.501	1.89	1.608
Germany	2.274	2.266	2.31	1.558	1.257
USA	1.124	1.154	0.855	1.153	1.2

high-quality products, competitive pricing, and adherence to international standards. The export market for Malaysian fastening tools encompasses neighbouring countries in the ASEAN region, as well as other international markets. These exports contribute to the growth of the country's economy and further enhance its position in the global fastening tool industry.

According to the statistics provided by the Department of Statistics Malaysia (DOSM), the data reveals the following insights into Malaysia's fastening tool exports.

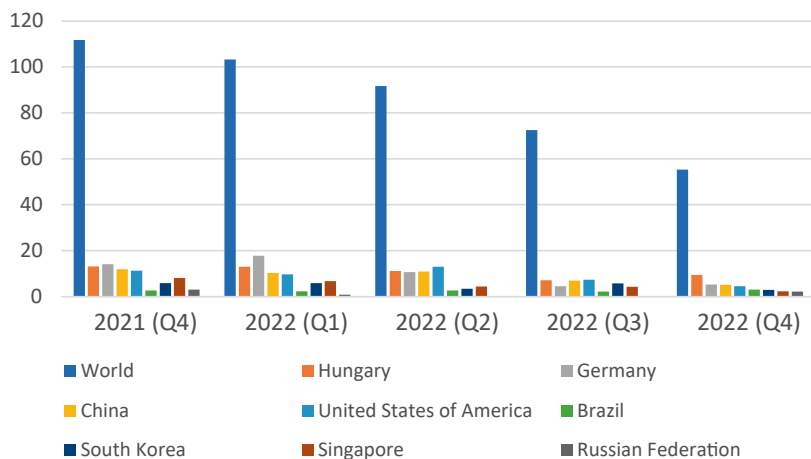
Among the listed countries, Hungary emerged as the top market for Malaysian fastening tools in Q4 2022. The export value to Hungary reached USD 9.4 million, demonstrating strong demand and market presence for Malaysian products in Hungary.

In Q4 2022, the export value to Hungary was USD 9.445 million, while in Q1 2023, based on the latest data from ITC trade statistics for international business development, the values were USD10.75 million combining the figures of USD 2.737 million for January, USD 3.750 million for February, and USD 4.268 million for March.

This indicates a significant increase in export value to Hungary in Q1 2023 compared to the previous quarter. **The growth in export value suggests a positive trend and a potential increase in demand for Malaysian fastening tools in the Hungarian market during the period.**

Graph 2. Malaysia's HS Code 8467 Export Destinations

(in million USD)



Source	2021 (Q4)	2022 (Q1)	2022 (Q2)	2022 (Q3)	2022 (Q4)
World	111.645	103.199	91.734	72.535	55.318
Hungary	13.143	13.072	11.212	7.16	9.445
Germany	14.108	17.862	10.736	4.594	5.24
China	11.951	10.346	10.952	7.017	5.138
USA	11.252	9.677	13.048	7.411	4.571
Brazil	2.759	2.322	2.731	2.217	3.077
S. Korea	5.937	5.834	3.497	5.76	2.972
Singapore	8.095	6.759	4.456	4.247	2.308
Russia	3.117	0.802	0.016	0.186	2.216

Germany also showed a significant demand for Malaysian fastening tools, with an export value of USD 5.24 million in Q4 2022. This indicates a notable market performance and highlights the competitiveness of Malaysian products in German market.

Other countries, such as China, the USA, Brazil, S. Korea, Singapore, and Russia also displayed varying levels of demand and market performance for Malaysian fastening tools.

Overall, the latest data reaffirms the strong performance and global competitiveness of Malaysia's fastening tool exports, with Hungary and Germany standing out as key markets for Malaysian products.



Trade Challenges and Opportunities

The fastening tools trade in Malaysia faces certain challenges and opportunities that influence its dynamics.

Tariffs and Trade Barriers: The imposition of import tariffs and trade barriers by certain countries can affect the cost competitiveness of Malaysian fastening tools in the international market. Manufacturers and exporters need to navigate these trade barriers to expanding their market reach.

Product Quality and Compliance: Ensuring product quality and compliance with international standards is crucial for Malaysian manufacturers to gain trust and acceptance in the global market. Adhering to quality control measures, certifications, and industry standards enhances the competitiveness of Malaysian fastening tools in international trade.

Market Expansion and Product Diversification: Exploring new markets and diversifying the range of fastening tools offered can create opportunities for Malaysian manufacturers. Identifying niche markets, developing innovative products, and addressing specific customer needs can help capture a larger share of the global fastening tools trade.

Collaboration and Partnerships: Collaboration between local manufacturers, industry associations, and government bodies can support the growth of the fastening tool trade in Malaysia. Such partnerships can facilitate knowledge sharing, technological advancements, and market access, leading to increased competitiveness and export potential.



Outlook and Opportunities

The fastening tool market in Malaysia is poised for continued growth in the coming years. The government's emphasis on infrastructure development, the expansion of manufacturing activities, and the increasing focus on renewable energy projects are expected to drive the demand for fastening tools. Moreover, the introduction of advanced technologies, such as Internet of Things (IoT)-enabled tools and automation, will further shape the market's future. Additionally, there is a growing awareness of environmentally friendly and sustainable fastening solutions, opening doors for eco-conscious products and innovations.



Conclusion

The fastening tool trade in Malaysia encompasses both imports and exports, allowing the country to meet domestic demand and participate in the global market. While Malaysia relies on imports for a significant portion of its fastening tools, local manufacturers contribute to the export market by offering high-quality products. Overcoming trade challenges, maintaining product quality, exploring new markets, and fostering collaborations are key strategies for the growth and success of the fastening tool trade in Malaysia. □

Sources:

Malaysia Power Tools Market – Industry Trends and Forecast to 2029, by Data Bridge Market Research
ITC Trade Map, Trade Statistics for International Business Development

