

Development Analysis of the Fastening Tool Industry- Africa

緊固工具業發展剖析-非洲篇



Source: ITC

Foreword

Africa is one of the fastest growing economies in the world, with an economic growth rate above the global average in recent years. In order to facilitate economic development, African countries have been actively building a friendly investment environment to attract foreign investment to accelerate development and transformation, and the scale of middle-class consumption has been expanding. In addition, the African Continental Free Trade Area (AfCFTA) has come into effect since 2021, and so far 90% of the product tariffs have been reduced, and more countries will try to implement tariff-free trade from 2023 onwards, which will accelerate the integration of the region. Africa is also actively developing manufacturing and exporting value-added products to reduce reliance on raw material exports and imports of large quantities of finished products. Africa's integration and transformation is definitely one of the potential business opportunities for Taiwanese manufacturers; since tool products have long been Taiwan's export advantage and an important foreign exchange earning category, this article will analyze the development of the fastening tool industry in South Africa, Morocco, Algeria, and offers advice to the industry.

Africa's Fastening Tools Trade with the World

a. Import

Table 1 shows the trend of Africa's fastening tools import from 2019 to 2023. US\$236 million fastening tools were imported into Africa in 2023 and the top three importing countries were South Africa (US\$36.228 million), Morocco (US\$24.345 million), and Algeria (US\$23.182 million). Senegal and Congo, respectively in the seventh and ninth places in terms of import value, had respective compound growth rates (CAGR) of 50.1% and 42.7%, which are countries with potential demand for fastening tools. Africa's share of fastening tools imports in the world is low (only 2.9%), but its compound growth rate of 4.6% in the past five years is still higher than the global 2.5%.

Table 1. The Trend of Africa's Fastening Tools Import from 2019 to 2023

Unit: US\$10,000, %

Importing Country	2019	2020	2021	2022	2023	2023 Share	CAGR
South Africa	3947.3	2929.9	3926.5	4261.5	3622.8	15.3%	-2.1%
Morocco	1721.4	1295.5	1435.3	1663.1	2434.5	10.3%	9.1%
Algeria	1978.3	2050.6	1952.3	1316	2318.2	9.8%	4.0%
Egypt	2303.2	1523.6	1507.7	1583.1	1806	7.7%	-5.9%
Libya	873.1	559.8	724.2	840.1	1270.6	5.4%	9.8%
Ghana	472.8	5820.3	742.6	759.1	977	4.1%	19.9%
Senegal	185.7	159.9	192.2	355.7	942.6	4.0%	50.1%
Tunisia	760.5	549.4	550.4	833	851.9	3.6%	2.9%
Congo	197.1	203	469.9	495.7	816.7	3.5%	42.7%
Angola	576.9	548.5	550.4	663.8	713.3	3.0%	5.4%
Top 10 Importers Subtotal	13016.3	15640.5	12051.5	12771.1	15753.6	66.7%	4.9%
Other African Importers Subtotal	6678.1	1300.2	7183.3	8800.5	7852.6	33.3%	4.1%
Africa's Import in Total	19694.4	16940.7	19234.8	21571.6	23606.2	100.0%	4.6%
Global Import in Total	738,499	670,430	848,519	862,323	813,965	--	2.5%
Africa's Share in Global Imports	2.67%	2.53%	2.27%	2.50%	2.90%	--	2.1%

b. Export

Table 2 shows the trend of Africa's fastening tools exports from 2019 to 2023. Africa's exports of fastening tools amounted to about US\$27.342 million, with a CAGR of about 7.1% over the past five years, higher than the global rate of 3.9%; the top three exporting countries of fastening tools in 2023 were South Africa (US\$16.788 million), Egypt (US\$3.46 million), and Burkina Faso (US\$1.413 million), among which South Africa's exports accounted for more than 60% of the total, and the CAGRs of Egypt and Togo over the past five years were also quite impressive. Overall, Africa's fastening tools export value and share are still low, accounting for only 0.34% of the global export.

Table 2. The Trend of Africa's Fastening Tools Exports from 2019 to 2023

Unit: US\$10,000;%

Exporting Country	2019	2020	2021	2022	2023	2023 Share	CAGR
South Africa	1637.9	1361.4	1458.2	1624.2	1678.8	61.4%	0.6%
Egypt	0.1	28.2	17.3	42.9	346	12.7%	667.0%
Burkina Faso	9.8	29.7	28.9	22.8	141.3	5.2%	94.9%
Ivory Coast	48.6	351.2	54.7	48.4	106	3.9%	21.5%
Morocco	27.2	36.3	74.5	37	89.8	3.3%	34.8%
Namibia	35.9	19	14	31.1	65.1	2.4%	16.0%
Tunisia	70.5	31.7	98.8	82.1	65.1	2.4%	-2.0%
Mozambique	7.2	1.4	4.1	15.8	44.2	1.6%	57.4%
Togo	0.4	6.2	5.2	5	36.6	1.3%	209.3%
Mauritius	7.2	5.9	32.5	6.5	24	0.9%	35.1%
Top 10 Exporters Subtotal	1844.8	1871	1788.2	1915.8	2596.9	95.0%	8.9%
Other African Exporters	230.5	290	335.2	272.5	137.3	5.0%	-12.1%
Africa's Export in Total	2075.3	2161	2123.4	2188.3	2734.2	100.0%	7.1%
Global Export in Total	682,739	640,104	802,432	804,249	794,181	--	3.9%
Africa's Share in Global Exports	0.30%	0.34%	0.26%	0.27%	0.34%	--	3.2%

Taiwan's Fastening Tools Export to Africa

Table 3 shows the trend of Taiwan's fastening tools export to Africa from 2019 to 2023; in recent years, Taiwan's fastening tools export to Africa have been mainly exported to South Africa, Algeria and Libya, with South Africa's share reaching 48.7% (NT\$108 million). However, the CAGRs of the top three export destinations in the past five years have all declined slightly, indicating that Taiwan's fastening tools exports have been affected by the competing countries, which is a warning on Taiwan's competitive edge in product exports.

Table 3. The Trend of Taiwan's Fastening Tools Export to Africa from 2019 to 2023

Unit: US\$10,000;%

Country	2019	2020	2021	2022	2023	2023 Share	CAGR
South Africa	11943.8	7044.4	8917.1	13292.6	10774.8	48.7%	-2.5%
Algeria	3493.3	2155	2516	3555.5	3423.9	15.5%	-0.5%
Libya	2351	805.5	1670	1346.1	2210.5	10.0%	-1.5%
Egypt	3696.5	3074.5	2396.5	1723.9	2068.9	9.3%	-13.5%
Ivory Coast	89.9	595.6	125.1	876.7	651.4	2.9%	64.1%
Morocco	675.3	363.8	548.1	395.2	638	2.9%	-1.4%
Tunisia	810.3	583.9	353	501.7	480.1	2.2%	-12.3%
Tanzania	151.4	720.2	311	219.9	476.4	2.2%	33.2%
Senegal	287.7	198.7	281	285.6	455.3	2.1%	12.2%
Ethiopia	0.2	139.7	0	202.6	238.8	1.1%	487.8%
Top 10 Export Destinations Subtotal	23499.4	15681.3	17117.8	22399.8	21418.1	96.7%	-2.3%
Other African Export Destinations Subtotal	898.1	422.5	1097.8	1009.1	722.6	3.3%	-5.3%
Taiwan's Total Export to Africa	24397.5	16103.8	18215.6	23408.9	22140.7	100.0%	-2.4%
Global Export in Total	682,739	640,104	802,432	804,249	794,181	--	3.9%

Africa's Major Fastening Tools Importing Countries

a. South Africa

Table 4 shows the trend of South Africa's import of fastening tools from 2019 to 2023. South Africa imported US\$36.228 million worth of fastening tools from the world in 2023, and the CAGR of import in the last five years was about -2.1%. The top three sources of imports were China (US\$13.022 million), Taiwan (US\$7.761 million) and Germany (US\$3.144 million). The top 10 import origins have accounted for 86.3% of South Africa's fastening tools import; Taiwan is the second largest source of South Africa's fastening tools imports, with a CAGR of -0.2% in the past five years, indicating that Taiwan's fastening tools advantage in South Africa is still stable, and that China is the main competitor against Taiwan in South Africa's fastening tools market.

Table 4. The Trend of South Africa's Import of Fastening Tools from 2019 to 2023 Unit: US\$10,000, %

Country	2019	2020	2021	2022	2023	2023 Share	CAGR
China	1271	979	1492.3	1533.9	1302.2	35.9%	0.6%
Taiwan	781.2	587.8	774.8	940.6	776.1	21.4%	-0.2%
Germany	414	256.9	362.8	298.5	314.4	8.7%	-6.6%
India	343	196.5	292.1	347.9	208.6	5.8%	-11.7%
USA	267	170.7	192.3	209.5	188.4	5.2%	-8.3%
UK	133.2	84.5	128.5	79	96	2.6%	-7.9%
France	61.3	42.2	45.4	72.9	72.1	2.0%	4.1%
Italy	61.7	33.3	70	63.6	68.3	1.9%	2.6%
Finland	30.1	49.9	36.8	35.6	57.3	1.6%	17.5%
Hungary	35	26.5	39.9	67.6	42.3	1.2%	4.8%
Top 10 Import Origins Subtotal	3397.5	2427.3	3434.9	3649.1	3125.7	86.3%	-2.1%
Other Import Origins Subtotal	549.8	502.6	491.6	612.4	497.1	13.7%	-2.5%
South Africa's Total Imports	3947.3	2929.9	3926.5	4261.5	3622.8	100.0%	-2.1%

Table 5 shows the types and amounts of fastening tools imported by South Africa from 2019 to 2023. **The types and amounts of fastening tools imported by South Africa from the world in 2023 are shown as follows: Other Interchangeable Tools (US\$13.192 million) and Non-adjustable Hand-operated Wrenches (US\$9.726 million).** These two products accounted for more than 60%; the products with a positive CAGR were hand-operated wrenches and spanners. South Africa's demand in the short term should remain in the category of interchangeable fastening tools.

South Africa's fastening tool related industries include: automobile maintenance & repair industry, medical materials, etc.; of which the automobile maintenance & repair industry shows business opportunities for fasteners and fastening tools. In addition, the South African government-led special economic zone program also strengthened investment in the metal manufacturing industry and hardware tools for the civil construction industry, which is a business opportunity for Taiwanese manufacturers to focus on.

Table 5. The Types and Amounts of Fastening Tools Imported by South Africa from 2019 to 2023 Unit: US\$10,000, %

HS Code	Category	2019	2020	2021	2022	2023	2023 Share	CAGR
820790	Other Interchangeable Tools	1713.5	1265.0	1467.4	1545.4	1319.2	36.4%	-6.3%
820411	Non-adjustable Hand-operated Wrenches and Spanners	982.0	736.7	1080.0	1218.6	972.6	26.8%	-0.2%
820420	Interchangeable Socket Wrenches w/ or w/o Handles	568.0	407.6	617.6	661.7	535.6	14.8%	-1.5%
820412	Adjustable Hand-operated Wrenches and Spanners	348.4	250.4	360.7	415.4	409.2	11.3%	4.1%
820540	Screwdrivers	335.4	270.2	400.8	420.4	386.2	10.7%	3.6%

b. Morocco

Table 6 shows the trend of imported fastening tools in Morocco from 2019 to 2023. US\$24.345 million worth of fastening tools were imported into Morocco in 2023, with a CAGR of 9.1% over the past five years. The top three fastening tools import sources of Morocco were France (US\$7.590 million), China (US\$5.342 million), and Israel (US\$4.023 million). The top 10 import origins accounted for more than 90% of the total, and France occupied a position in Morocco for both fasteners and fastening tools, because the quality, type, item, and pricing could meet the needs of Morocco, and the import share reached 31.2%. Taiwan was the sixth largest source of Morocco's imports, but its CAGR has been declining year by year, and the other top five import origins were all growing, indicating that Taiwan's Moroccan market was being compressed by competing countries.

Table 6. The Trend of Imported Fastening Tools in Morocco from 2019 to 2023

Unit: US\$10,000;%

Country	2019	2020	2021	2022	2023	2023 Share	CAGR
France	666.3	378.9	423.9	576.4	759	31.2%	3.3%
China	391	396.5	514	555	534.2	21.9%	8.1%
Israel	0	0	0	0	402.3	16.5%	--
Spain	153.4	123.8	110.2	112.4	177.2	7.3%	3.7%
Germany	104.3	89.4	79.8	99.9	124.1	5.1%	4.4%
Taiwan	82.3	60.4	72.3	69.8	72.6	3.0%	-3.1%
Italy	144.4	76.1	55.4	41	64.6	2.7%	-18.2%
USA	17.7	11.9	12	26.7	48.7	2.0%	28.8%
India	43.2	31.4	31.8	33.7	46.9	1.9%	2.1%
Turkey	3.8	4.3	16.4	35.7	37	1.5%	76.6%
Top 10 Import Origins Subtotal	1606.4	1172.7	1315.8	1550.6	2266.6	93.1%	9.0%
Other Import Origins Subtotal	115	122.8	119.5	112.5	167.9	6.9%	9.9%
Morocco's Total Import	1721.4	1295.5	1435.3	1663.1	2434.5	100.0%	9.1%

Table 7 shows the types and amounts of fastening tools imported by Morocco from 2019 to 2023; the types and amounts of fastening tools imported by Morocco from the world in 2023 were as follows: Other Interchangeable Tools (US\$15.888 million) and Non-adjustable Hand-operated Wrenches and Spanners (US\$3.625 million). Interchangeable tools showed the highest import value and CAGR, and were potential products in the Moroccan market, together with screwdrivers.

Morocco's fastening tools related industries include: traditional automotive, construction, etc. As the Moroccan government has a certain demand for infrastructure, the construction of houses and new towns, high-speed railways and ports and other transportation led by the Moroccan government have the potential to generate demand for fastening tools. In addition, Morocco has signed FTAs with Europe and the U.S., which means that Taiwan's fastening tools industry mainly exporting to the U.S. can take advantage of the FTA which Morocco has signed with the EU as a springboard to enter the EU, or through the EU countries that have been purchasing fastening tools from Taiwan to enter the Moroccan market.



Table 7. The Types and Amounts of Fastening Tools Imported by Morocco from 2019 to 2023

Unit: US\$10,000;%

HS Code	Category	2019	2020	2021	2022	2023	2023 Share	CAGR
820790	Other Interchangeable Tools	981.7	670.1	708.3	840.5	1588.8	65.3%	12.8%
820411	Non-adjustable Hand-operated Wrenches and Spanners	357.7	271.3	335.4	379.7	362.5	14.9%	0.3%
820540	Screwdrivers	139.2	129.2	153.0	178.6	180.7	7.4%	6.7%
820420	Interchangeable Socket Wrenches w/ or w/o Handles	146.4	128.0	122.7	149.6	179.1	7.4%	5.2%
820412	Adjustable Hand-operated Wrenches and Spanners	96.4	96.9	115.9	114.7	123.4	5.1%	6.4%

c. Algeria

Table 8 shows the trend of imported fastening tools in Algeria from 2019 to 2023. The amount of fastening tools imported by Algeria from the world in 2023 was US\$ 23.182 million, and the CAGR of import in the past five years was about 1.2%. The top three import origins and amounts were China (US\$10.046 million), Taiwan (US\$2.336 million), and the U.S. (US\$ 2.152 million). Taiwan was the second largest import origin of Algeria with a steady growth, but China was still the largest supplier in Algeria in 2023 in terms of market share, while France and Italy's shares were declining, the U.S. and other countries were growing steadily, and the shares of imports from emerging suppliers such as Turkey, Spain, and S. Korea were rising significantly.

Table 8. The Trend of Imported Fastening Tools in Algeria from 2019 to 2023

Unit: US\$10,000;%

Country	2019	2020	2021	2022	2023	2023 Share	CAGR
China	709.5	619.9	629.6	526.7	1004.6	43.3%	6.1%
Taiwan	169.0	140.5	183.9	125.3	233.6	10.1%	5.4%
USA	163.8	384.0	266.6	82.3	215.2	9.3%	4.1%
Italy	230.2	196.3	176.4	84.4	184.9	8.0%	-7.9%
Germany	123.3	128.6	127.0	80.1	152.7	6.6%	2.6%
France	303.3	215.8	160.3	155.1	152.4	6.6%	-18.1%
Turkey	52.1	25.5	26.1	15.2	83.1	3.6%	9.3%
Spain	32.6	66.8	65.6	21.2	53.1	2.3%	9.8%
S. Korea	18.0	52.4	50.1	33.4	37.3	1.6%	16.6%
UK	39.3	45.0	98.9	73.3	32.6	1.4%	-7.1%
Top 10 Import Origins Subtotal	1841.0	1874.7	1784.6	1196.9	2149.6	92.7%	1.1%
Other Import Origins Subtotal	137.3	175.9	167.7	119.0	168.6	7.3%	2.4%
Algeria's Total Import	1978.3	2050.6	1952.3	1316.0	2318.2	100.0%	1.2%

Table 9 shows the types and amounts of imported fastening tools in Algeria from 2019 to 2023; In 2023, Algeria's imports of fastening tools from the world were: Adjustable Wrenches and Spanners (US\$7.712 million) and Screwdrivers (US\$5.972 million); the products with the highest CAGR were Screwdrivers (11.1%) and Non-Adjustable Wrenches and Spanners (9.9%). Algeria's fastening tools related industries include: steel products, automobiles, construction materials, etc.; the local automobile and construction industries have fastening tools demand. Hardware tools are listed as one of the manufacturing industries suitable to be invested in Algeria by Taiwan's MOEA. Algeria is one of the most important markets in Africa and considered to be the gateway to the African market. It is recommended that Taiwanese businessmen conduct a comprehensive assessment before investing or expand business cooperation through reliable local trading partners.

Table 9. The Types and Amounts of Imported Fastening Tools in Algeria from 2019 to 2023

Unit: US\$10,000;%

HS Code	Category	2019	2020	2021	2022	2023	2023 Share	CAGR
820412	Adjustable Hand-operated Wrenches and Spanners	696.6	605.2	433.4	363.1	771.2	33.3%	2.6%
820540	Screwdrivers	391.9	430.2	306.9	162.2	597.2	25.8%	11.1%
820411	Non-adjustable Hand-operated Wrenches and Spanners	309.9	405.3	377.9	199.0	451.6	19.5%	9.9%
820790	Other Interchangeable Tools	368.7	368.9	564.8	430.2	294.7	12.7%	-5.4%
820420	Interchangeable Socket Wrenches w/ or w/o Handles	211.2	241.0	269.3	161.5	203.5	8.8%	-0.9%

Conclusion

Taiwan's fastening tools have long been exported to the U.S. as the main export destination. Although the U.S.-China trade war has significantly increased Taiwan's exports to the U.S., it seems that Taiwanese fastening tools suppliers (mainly SMEs) rely too much on a single market. In the face of China's similar fastening tool industry to expand market share in various countries, Taiwanese industry should think about where the market with less Chinese competitors' presence and high growth rates are, such as Africa; It is suggested that Taiwanese fastening tool industry should make good use of AfCFTA, assess the market demand in African countries with stable investment environment and sound logistics infrastructure, for example, by utilizing the marketing strategy of Japanese hand tools brands or cooperating with local manufacturers to expand the brand image and product sales, in order to lay a solid foundation for Taiwanese fastening tools industry in Africa. □

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