

U.S. Fastener Industry Sheltering In Place

Industrial fastener companies in the U.S. have cut travel and limited face-to-face interactions with customers in an attempt to keep employees safe and minimize the spread of the coronavirus disease (COVID-19). “Effective immediately, we have suspended all business travel including on-site visits to our customers as well as travel to trade shows and conferences,” Advance Components president Gary Cravens stated in a March 13 letter to customers. “We will no longer be receiving visitors here at our facility in Carrollton, TX, other than those absolutely required to maintain business operations.”



While Brighton-Best International remains “open for business,” the importer has eliminated staff travel, both domestic and international, for at least the next 30 days. “All visits to our offices or warehouses by suppliers or vendors have been suspended for at least 60 days or until further notice,” BBI stated in a letter to customers. Likewise, any BBI employee returning from overseas will be asked to self-isolate before returning to work. And, BBI has started sanitizing its offices and warehouses every four hours. Other companies are taking similar precautions. “We have suspended sales calls for our outside sales team over the next two weeks and are limiting visitors to both facilities,” stated Marty Nolan with manufacturer’s rep agency R.L. English Co. in Cleveland. “As things seem to be changing daily, we will pivot accordingly!” “Half of the sales staff is working from home,” Jay Cee Sales & Rivet stated on Twitter. “No outside visitors.” Jeff Adams said that manufacturer’s rep agency Wing-Hamlin Co. is taking an upgraded “block & tackle” approach to sales. “Phone calls, Skype for business, Microsoft Teams, text messages, email, & FaceTime,” Adams stated on Twitter. “It isn’t the most convenient or efficient but I can still do my job effectively while respecting everyone’s space and acting socially responsible.” At work, precautions are being taken to keep work areas as clean as possible.

Safety measures at Advance Components include additional health training, dispensing hand sanitizer and disinfecting wipes, and scheduling routine wipe down for all common surfaces. “We want (customers) to know that we are fully prepared for this situation and are taking every precaution necessary,” Cravens explained. “We are training and planning for every potential eventuality. Our intention is to remain open during regular business hours for the duration of this situation and we have no plans to close.” Beyond immediate measures, some businesses made strategic decisions months ago to minimize disruptions. “Last year, we moved all our servers and data to the cloud which allows us much more flexibility and security,” Cravens noted. “We also dramatically increased our internet bandwidth and VPN capabilities. Investing in this technology allows all our team members to work remotely (from home) as necessary. We have implemented a training regimen so that our team members are prepared.” After a hiatus, fastener production has resumed in China. Vertex Distribution’s direct contacts in China report about 80% of employees are back to work in China’s fastener factories. “As factories ramp up there will be a backlog in the shipping lanes,” Jun Xu of Brighton-Best International warned. If you have a three-to-four week ETA on a parts order, “you better add seven days,” Xu advised. “Regarding the factory situation in China, we have seen continuous weekly improvements and BBI is no longer concerned about access to products manufactured in China,” the company added in its March 16 letter to customers. “The vast majority of our factories are up to 80-90% capacity. Taiwan has not been impacted by COVID-19 significantly so there are no supply issues there.”

Impending problems from the coronavirus beyond production include freight constraints on lifts or trucks, Xu explained. There is also concern about lower inventories of raw materials and backlogs in the finishing process. Xu has cancelled international travel not just because of the possibility of catching the virus, but other complications involved. “What you don’t want is to get quarantined,” he pointed out. Advance Components and other suppliers have plans in place to keep fasteners available. “To minimize any supply chain disruptions, we are beefing up what is already a substantial commitment to inventory,” Cravens noted. Xu suggested there is “more worry” about demand than delivery as recreational travel, hotels and restaurants close due to the virus. Importing fasteners “will self-adjust,” Xu predicted.



Brighton-Best Co-Founder Perry Rosenstein Dies From COVID-19

Brighton-Best Socket Screw Mfg. co-founder Perry Rosenstein, 94, died April 3 from COVID-19, the New Jersey Globe reports. His company, which he sold in 2008 to a consortium of Taiwanese investors led by Ta Chen International president Robert Shieh, became Brighton-Best International, the largest fastener importer in North America. “Sad news for us old timers that had the privilege to know Perry,” stated Don Haggerty of Stelfast. “This is terrible news, especially for those of us at Brighton,” added BBI president Jun Xu.

Rosenstein’s first fastener job was with Globe Bolt & Screw Co. He then joined Stevens Socket Screw Co., which was later bought out by MSL Industries and became a part of Heads & Threads. Rosenstein then became a VP of Heads & Threads. Stanley Sevell and Rosenstein founded Best Socket Screw Co. in New York City in 1965. Three years later they formed Brighton-Best Socket Screw. Brighton-Best grew to a major supplier of inch and metric hexagon alloy socket screws. After retiring in 2008, Rosenstein gave even more attention to his foundations. His philanthropy was all a part of “giving back” from his successful career and in fighting global warming and pollution.

FINdex Plummets Amid Pandemic

Reversing strong results in 2019, the FIN Fastener Stock Index fell 30.3% in the opening quarter of 2020, compared to a 22.4% drop in value for an index of related industrial stocks. U.S. stocks dropped sharply in the first three months of the year as worries about the global coronavirus pandemic and its impact on businesses and the economy grew, CNN reports. The Dow recorded its worst start to a year in history, down 23.2% for the quarter.

The FINdex gained 33.7% in 2019, besting a 24.4% increase by an index of related industrial stocks.

No publicly traded fastener companies increased their stock value during Q1. Fastener companies losing 30% or more in value during Q1 included Arconic (down 47.8%); ITW (down 47.1%); Lawson Products (down 48.7%); MSC Industrial (down 30%); Nucor (down 36%); Park Ohio (down 43.8%); Stanley Black & Decker (down 39.6%); and Tree Island Steel (down 40%).



Washer Repurposed As Mask Nose Band

ROMEFAST Rome Fastener Corp. owner Howard Reiter has repurposed a steel washer to serve as a noseband on medical face masks. He said he's shipped 150,000 in two days from the Connecticut-based company.

Rome Fastener's work is part of a statewide effort by hundreds of manufacturers to make surgical gowns, face masks and other equipment and components to help stop the spread of the pandemic.

Orbitform Building Sanitizing Machines for Medical Masks



Orbitform is re-purposing their facilities to produce sanitizing machines for medical masks, WKHM reports. Owner Mike Shirkey said the Orbitform machine, which still requires testing before being put into production, will improve the use of the masks and help conserve inventory. "The development of this sanitizing machine will not only prove valuable to the medical industry but helped give the Orbitform team a purpose during a difficult time," WKHM reports. Jackson, MI-based Orbitform designs and manufactures orbital forming riveting machines and forming, fastening and assembly automation equipment.

IFI Awards DiMaio & McGuire

The Industrial Fastener Institute (IFI), Independence, OH, USA, has announced the 2020 IFI Soaring Eagle Award recipients. The Soaring Eagle Technology Award recipient is Anthony (Tony) DiMaio, and the Soaring Eagle Service Award recipient is Mike McGuire. Anthony DiMaio received his award in recognition of service to the fastener industry as IFI Technical Committee Chairman and outstanding and pioneering contributions to the field of blind rivets including the invention of innovative blind riveting tool designs and 26 U.S. patents. Mike McGuire won his award in recognition of 50+ years of contributions to the industrial fastener industry. He is the founder of several fastener shows and magazines.



AIS Awards Rockford Fasteners, CSM & Mack Engineering

AIS-All Integrated Solutions, an MSC company, announces its 2019 Supplier of the Year awards: Rockford Fasteners, CSM Fastener Products and Mack Engineering Corporation. Rockford Fasteners, an Elgin Fastener Group company, has been a partner of AIS for more than 50 years. The quality team at Rockford has a multi-point inspection process starting from raw materials arrival through production and final product inspection. CSM Fastener Products has also been a long-term partner with AIS. The company manufactures a variety of externally threaded fasteners for use by customers in both automotive and industrial applications. Mack Engineering Corporation is a valued supplier with great quality and an amazing response time. The team at Mack is very professional and willing to help in any aspect of creating a complete product, from engineering to heat-treating and plating.



CBP Drops Plan To Delay Tariff Payments

Bowing to pressure from domestic producers, the Trump administration rescinded its proposal to allow importers more time to pay tariffs during the coronavirus pandemic, Law360 reports. "Just six days after CBP told importers it would consider delaying tariff payments on a case-by-case basis, the agency issued a new bulletin to 'notify the trade community that CBP is no longer accepting requests for additional days for payment,'" writes Alex Lawson of Law360.

On March 20, U.S. Customs and Border Protection issued communication #42097586 through the Cargo Systems Messaging Service noting that CBP will grant on a "case by case basis additional days for payment of estimated duties, taxes and fees due to this emergency." The CBP notification further indicated that a more comprehensive, longer-term policy may be forthcoming through the CSMS. However, the notice doesn't specify how long any reprieve from tariff payment would last. U.S. steel producers were quick to reject the policy shift.

"Any efforts to delay or reduce the collection of duties on unfairly-traded steel imports or imports that threaten to impair U.S. national and economic security will ultimately hurt U.S. workers and businesses during this unprecedented moment," the American Iron and Steel Institute and other domestic producers stated in a March 24 letter to CBP.

Trump has publicly dismissed the idea of tariff reduction as part of his coronavirus strategy, while White House trade adviser Peter Navarro has floated an executive order that will strengthen "Buy American" government procurement rules for drugs and medical devices as a means of reducing the government's reliance on imports. President Donald Trump's original duty on fasteners from China was applied in September 2018. Trump imposed 25% tariffs on steel imports and 10% on aluminum imports six months earlier.

Howmet Aerospace Launches as Stand-Alone Company



Howmet Aerospace, Pittsburgh, PA, USA,

launched on April 1, 2020, as a leader in advanced engineered solutions after the separation of Arconic Inc. into two standalone companies—Howmet Aerospace Inc. and Arconic Corporation. Howmet Aerospace is now trading on the New York Stock Exchange under the ticker "HWM". In 2019, the businesses comprising Howmet Aerospace generated over US\$7 billion in revenue, up 5% from the prior year, with over 70% of Howmet's revenue derived from the aerospace market. The new company is led by Co-Chief Executive Officers, John C. Plant, who also serves as Executive Chairman of the Board, and Tolga Oal, who had been President of Arconic Engineered Structures. Howmet has been a trusted brand for over 90 years. Howmet Fastening Systems is a premier maker of aerospace and industrial fasteners and installation tools. These products are used nose to tail on commercial and military aircraft as well as on jet engines, industrial gas turbines, automobiles, commercial transportation vehicles, wind turbines, solar power systems and construction and industrial equipment.





\$100 Million in Annual Sales for Field Fastener

Field Fastener reports it has achieved its goal of reaching US\$100 million in annual sales. This accomplishment is a major validation of the commitment to serve its customers and use its culture as a competitive advantage over the past 29 years. “When the company went to Vegas to celebrate our 20 year anniversary, I boldly predicted we would continue to grow at about 19% per year, and as a result, would be a US\$100 million company in eight to

ten years,” said Field Chairman. The value proposition was clear from the beginning—be the best in the industry at reducing costs from a technical approach to fastening and provide world-class VMI programs that always ensure part availability while continuously improving processes. Field would like to thank all of its customers, suppliers and the Field family, who have all played a huge role in achieving this milestone.

China Trade Truce Freezes U.S. Fastener Tariffs Until 2020



The U.S. and China formally signed the first phase of a trade agreement intended to ease trade tensions between the world’s two largest economies. In exchange for a halt to tariff hikes, China agreed to purchase an additional \$200 billion in U.S. goods over the next two years, CNBC reports. The additional purchases reportedly will come on top of the 2017 U.S. export numbers.

Fasteners are not on the list of goods China promised to purchase, leaving the fastener industry to deal with 25% tariffs on bolts, screws and other fasteners (HTS subheadings 7318.11.00 to 7318.29.00) manufactured in China, as well as 15% tariffs on all Chinese iron and steel nuts (HTS subheading 7318.16.00) until at least the end of the year.

President Donald Trump said he opposed any tariff cuts until a more comprehensive “phase two” agreement is reached with China, a deal he indicated would not occur until after the U.S. election in November 2020. He has said he plans to travel to Beijing for further negotiations at an unspecified later date.

The trade deal is perceived as “fragile,” with some analysts still seeing more tariffs as a possibility, according to CNBC. “The phase one trade deal strikes an uneasy truce between the U.S. and China, but even with the reprieve, analysts see more tensions between the U.S. and its trading partners,” writes Patti Domm of CNBC.

Trump’s strategy to use import tariffs to protect and boost U.S. manufacturers led to job losses and higher prices, according to a Federal Reserve study published in December. “We find that the 2018 tariffs are associated with relative reductions in manufacturing employment and relative increases in producer prices,” concluded Fed economists Aaron Flaaen and Justin Pierce.

American businesses and consumers are bearing the financial brunt of President Trump’s trade war.

“U.S. tariffs continue to be almost entirely borne by U.S. firms and consumers,” stated Mary Amity, an economist at the Federal Reserve Bank of New York. U.S. Federal Reserve research (and other economists) shows that U.S. tariffs on Chinese industrial components and materials — which largely won’t be lifted by the new deal that was signed in January — are “proving especially damaging to American manufacturing competitiveness and jobs” Reuters reports.

In mid 2019, Brighton-Best International president Jun Xu said that his company took a “hybrid” approach to address tariffs. “We’ve had to increase our prices to compensate for the added cost of tariffs, and we’ve been looking to diversify our countries of origin,” Xu stated. Ohio-based Stelfast president Don Haggerty said that his company also raised prices.

On September 1, the U.S. imposed 15% levies on another \$300 billion worth of Chinese imports, including all iron and steel nuts (HTS subheading 7318.16.00) imported from China. Trump’s original 10% duty on fasteners from China was applied September 24, 2018. The duty was increased to 25% in May. The Office of the U.S. Trade Representative (USTR) announced a tariff exclusion request process for Section 301 tariffs in July.

The Office of the U.S. Trade Representative (USTR) list includes:

7318.11.00	Iron or steel, coach screws
7318.12.00	Iron or steel, wood screws (o/than coach screws)
7318.13.00	Iron or steel, screw hooks and screw rings
7318.14.10	Iron or steel, self-tapping screws, w/shanks or threads less than 6 mm in diameter
7318.14.50	Iron or steel, self-tapping screws, w/shanks or threads 6 mm or more in diameter
7318.15.20	Iron or steel, bolts and bolts & their nuts or washers, imported in the same shipment
7318.15.40	Iron or steel, machine screws (o/than cap screws), 9.5 mm or more in length and 3.2 mm in diameter
7318.15.50	Iron or steel, threaded studs
7318.15.60	Iron or steel, screws and bolts, nesoi, having shanks or threads less than 6 mm in diameter
7318.15.80	Iron or steel, screws and bolts, nesoi, having shanks or threads 6 mm or more in diameter
7318.19.00	Iron or steel, threaded articles similar to screws, bolts, nuts, coach screws & screw hooks, nesoi
7318.21.00	Iron or steel, spring washers and other lock washers
7318.22.00	Iron or steel, washers (o/than spring washers and other lock washers)
7318.23.00	Iron or steel, rivets
7318.24.00	Iron or steel, cotters and cotter pins
7318.29.00	Iron or steel, non-threaded articles similar to rivets, cotters, cotter pins, washers and spring washers



FINdex Gains Outpace Related Industrial Stocks in '19

The FIN Fastener Stock Index gained 33.7% in 2019, besting a 24.4% increase by an index of related industrial stocks.

EACO (Bisco Industries) achieved the highest percentage gain, improving 84% during the year. Full-year revenues grew 14.5% to \$221.2 million, largely due to a higher volume of product sales. Gross margin rose 11.3% to \$61.2 million.

Arconic achieved an 82.5% increase in 2019. During Q3, Arconic realigned its operations into two segments: the Engineered Products and Forgings (EP&F) segment and Global Rolled Products (GRP) segment. The EP&F businesses will remain in the existing company, which will be renamed Howmet Aerospace Inc. at separation, and the GRP businesses will comprise Spin Co. and will be named Arconic Corporation at separation.

Other companies achieving a stock increase of 20% or more during the year included Carpenter Tech (40%), Grainger (20%), ITW (41.8%), Lawson Products (64.9%), Simpson Mfg. (48.2%), Stanley Black & Decker (38.4%), and Wesco Aircraft (39.5%).

FINdex companies losing 10% or more in value during 2019 included Chicago Rivet (down 18%), Dorman Products (down 15.9%), Fastenal (down 29.3%), and Tree Island Steel (down 21.6%).

After slowing to 5.4% rate of increase in the third quarter, the FINdex increased 11.7% in the fourth quarter of 2019, outperforming a 0.98% gain by an index of related industrial stocks during the quarter.

Lawson Products achieved the highest percentage gain in Q4, increasing 34.5% during the period. Founded in 1952, Lawson Products distributes MRO products and services. Lawson has distribution centers in all 50 states, Puerto Rico, Canada, Mexico and the Caribbean and is headquartered in Chicago. Lawson's Bolt Supply House serves customers in Western Canada and the Kent Automotive brand supplies the collision and mechanical repair products to the automotive aftermarket.

Other FINdex companies achieving gains of 10% or more during Q4 included Arconic (18.3%), EACO (20.6%), Fastenal (13.1%), Grainger (13.9%), ITW (14.8%), Nucor (10.5%), Park Ohio (12.7%), Simpson Mfg. (15.6%), Stanley Black & Decker (14.8%), and Tree Island Steel (11.3%).

News provided by John Wolz, Editor of FIN (globalfastenernews.com) / Mike McNulty, FTI VP & Editor (www.fastenertech.com)

Washer Importer Loses AD Duty Appeal



A federal circuit court affirmed that imports of spring lock washers from China by United Steel and Fasteners Inc. (USF) were properly subjected to U.S. antidumping duties because evidence supported their classification as "helical" washers, Bloomberg Law reports. However, the appeals court held that the Commerce Department overstepped its authority in making the duties on the company's washers retroactive by 20 years.

The U.S. has imposed antidumping duties on certain Chinese helical spring lock washers since 1993. In 2013, USF requested a scope ruling from Commerce, arguing that its imports didn't fall within the scope of helical washers for the railway market. The court determined that Commerce can only retroactively apply an antidumping duty on USF's lock washers on or before the start date of a scope investigation, according to Law360.

Founded more than 30 years ago, Itasca, IL-based USF distributes bolts, screws, nuts and pins for industrial and railway markets. ■



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