

Fastener News from Emerging Markets

全球新興市場產業新聞

compiled by Fastener World Inc.



Europe

New ARaymond Plant in Korea Commences Production



ARaymond, one of the world's leading suppliers of fastening solutions to the automotive industry, has strengthened its presence in Asia with the launch of manufacturing operations in Korea. ARaymond has had a sales office in Korea since 2006 and its new plant in the city of Hwaseong-si commenced production in June.

The automotive sector in Asia continues to grow and is a key strategic market for ARaymond, which accounts for 20% of the global market for fasteners. According to the Korean Automobile Manufacturers Association, Korea's car market will grow by 2.5% in 2015 to 1.65 million units.

In a country with renowned automotive brands such as Hyundai, Kia, GM Korea, SSangyong Motor, Renault Samsung, Doosan and Zyle Daewoo Bus, ARaymond will be supplying a variety of assembly solutions and metal and plastic fasteners for car interiors and engines, particularly for cooling and fuel supply systems.

ARaymond has been present in Asia since 1996, opening a plant first in China, followed by Japan in 1997 and then India in 2007. The capacity of the Japanese facility was increased last year while new branches in Thailand and Singapore were opened in February of this year. Besides Asia, the company's primary markets are Europe and the United States.

Today the ARaymond Network has 5,500 employees in 25 countries, 11 R&D centres and 25 production sites, with a global turnover of 930 million euros; 95% of sales are from the automotive industry and 87% from international markets.

BelZAN Starts Manufacture of Fasteners for Aircraft

At Fastener Fair Russia 2015, "BelZAN" presented at its stand the new types of fastener products – made of stainless steel and titanium alloys. About the creation of facility for the manufacture of fasteners made of stainless steel, titanium, and high temperature alloy more detail was told by Timur Galiakhmetov, Technical Development Director of "BelZAN", at the conference "Fastener. Quality and Responsibility", in frame of the exhibition.

At present "BelZAN" JSC has a license for the fulfilling of the necessary kinds of jobs for the production of aeronautical fasteners, including: the development of design and technological documentation for the aeronautical engineering, production and testing of products for aviation.

Belorussian DOR-MPZ Plans to Manufacture Railway Fastening Parts in Azerbaijan

The Belarusian manufacturer of railway fastening parts "DOR – MPZ" intends to open its facility in Azerbaijan, director of the company Mikhail Velyuha told, ANN.az reports.

"Minsk will host a meeting of the Railway Transport Council of the CIS member-states in May. We plan to present the Azerbaijani side of our output. If we can reach an agreement, 80-90 percent of parts will be produced in Azerbaijan," Velyuha said.

At present, the company provides Belarus, Kazakhstan, Moldova and Poland with its output.

DOR-MPZ was established in December 2003. The founders of the company are the "Minsk Branch of the Belarusian Railways" and "Minsk Bearing Plant".

Latin America

Mexico Launches an Expiry Review of the Antidumping Measure Against Carbon Steel Nuts Originating in China

On July 21, 2015, The Ministry of Economic Affairs of Mexico notified China's trade mission to Mexico in an official correspondence that it had determined to launch an expiry review of the antidumping measure against the carbon steel nuts imported from China. The Review became immediately effective since the day after the official announcement. Products involved are within HS code 73181603 and 73181604.

The original determination announced on Aug. 2, 2010 was a 64% antidumping duty on the involved

products. Then, on Nov. 4, 2014, the Ministry of Economic Affairs of Mexico announced in its official journal that the antidumping duty would soon be due. On June 9, 2015, Mexican local industries lodged a complaint to the Ministry of Economic Affairs of Mexico, requesting an expiry review.

The investigative period is from April 1, 2014 to March 30, 2015 and the period for analyzing injury is from April 1, 2010 to March 30, 2015. Any party interested in participating in the investigation should submit the

completed questionnaire and related evidence before 14:00 of Aug. 28, 2015. An objection to the complaint should be lodged with related information before 14:00 of Sep. 9, 2015.



Asia

PT Garuda Metalindo to Announce IPO for Rp 375 Billion

Indonesian manufacturer of fasteners and cold forging parts PT Garuda Metalindo aims to launch an initial public offering for Rp 375 billion, which will be achieved despite the automotive industry is on the decline. It'll be priced at USD 550-800 per share and 468 million new shares will be issued.

IPO proceeds will be made for a number of needs, 20 percent for working capital, 52 percent for debt refinancing, and the remaining 28 percent for capital expenditure. 28 percent will be prepared for short-term needs, namely the improvement on automation systems and financing one of the new automotive product demands. In the medium term, the company will anticipate the growth of the automotive industry by increasing capacity for the needs for four-wheeled automobiles.

"The automotive industry is forecast to grow 100 percent in 2020 to 2 million units and then to 3 million units in 2025," said Finance Director Ervin Wijaya of Garuda Metalindo. Performance in first quarter the 2015 is beyond



expectations despite the economic downturn and the slowdown in the automotive growth. Future growth is believed to be better.

The Company produces components for Astra Honda Motor (AHM), Yamaha Motor Manufacturing Indonesia (YMMI), Indomobile Suzuki International (ISI), Toyota Motor Manufacturing Indonesia (TMMI), Astra Daihatsu Motor (ADM), Kramayudha Tiga Berlian Motor and so on. In line with the increasing demand, the company continued to expand its operating network. "Currently, we produce various bolts and nuts with diameter of 2-33 mm and a variety of automotive components for two wheels and four wheels," said Hendra Wijaya, President of Garuda Metalindo.

Currently, the company has two locations with the total capacity of approximately 36 thousand tons.

Chin Well Aims to Raise DIY Fasteners Output



Chin Well Holdings Bhd is ready to increase production of do-it-yourself (DIY) fasteners in Vietnam to spearhead the growth of the group's business in 2016.

Executive director Tsai Chia Ling told that the group could raise its production in Vietnam to 4,000 tonnes per month from 3,800 tonnes to meet rising orders from Europe. "We can expect the DIY segment to contribute 20-25% to the group's turnover for this fiscal year of 2016 ending next June 30."

"The DIY contribution has steadily risen from 10% in 2014 to 15% in 2015," she said. Currently, the Vietnam operations contribute about 40% to the group's revenue, making up half of the bottom-line.

The outlook for the first quarter of 2016 ending in September is expected to be slow. "The market started to slow down in Europe in the fourth quarter of the fiscal year of 2015 ended June 30, due to the uncertainties in Greece and lack of confidence in the global market. "Usually the fourth quarter is the time when orders for fasteners pick up.

"There were fewer orders for bolts used for the construction industry, while the sales of smaller screws used in the renovation and furniture industry improved," she added. Tsai said the group expected Europe to generate about 50% of its turnover for the fiscal year of 2015, compared to a 60% forecast projected earlier. "The demand for fasteners from the domestic market improved in the final quarter of the fiscal year of 2015, as local wholesalers restock their inventories," she said.

Nipman Fastener and Korean IL-Ryung Ink Pact on Auto Components



Auto fastener and components maker Nipman Fastener Industries has entered into a technical tie-up with South Korea's IL-Ryung Co to manufacture steering components and sub-assemblies at an investment of about USD 35 million.

The manufacturing facility to produce components will initially be in NCR region and may be expanded later to serve the prospective customers better, Nipman Fastener Industries said in a statement.

Production under the new collaboration is expected to start in the last quarter of the current financial year and the project, once completed, will have a potential to generate a business of about Rs 350-400 crore, it added.

Nipman, which makes standard as well as specialised fasteners, studs and other cold forged components for engines, has four manufacturing plants.

IL-Ryung is an over 50-year old company supplying a variety of components and sub-assemblies for four wheelers. Its turnover during the previous year amounted to USD 87 million.

It has state-of-the-art facilities and has been a preferred supplier for global requirements of a number of OEMs like, Hyundai, Kia Motors, SsangYong Motors, General Motors, etc.

Egypt Imposes an 8% Anti-dumping Tariff on Imported Steel

Egyptian Minister of Trade and Industry Mounir of Egypt Fakhry Abdel Nour announced Sunday an 8 percent anti-dumping tariff on each ton of imported steel (around 408 EGP, or \$53/ton) for three years, MENA reported.

Abdel Nour's remarks came during a visit to a plant in the Suez Governorate along with Ahmed al-Wakeel, the head of the Federation of Chambers of Commerce (FEDCOC.)

The 8 percent tariff will be levied for at most three years, and will be slashed gradually from 408 EGP/ton to 175 EGP/ton until domestic steel manufacturers implement plans to allow them to meet increasing demand, Abdel Nour told reporters.

Citing documents submitted by local steel manufacturers whose production comprises 68 percent of the domestic industry, the minister said local steelmakers' losses amounted to 496.25 million EGP during the first nine months of 2014 due to large stocks.

Earlier in October, Egypt announced a 7.3 percent temporary tariff with a minimum of 290 EGP (\$45.5) per ton for at most 200 days, after the Federation of Egyptian Industries (FEI) appealed to the Anti-Dumping and Subsidy authority at the Ministry of Industry and Trade to control the import of Chinese steel to protect national production.

Avdel Aerospace Now Representing Shimco in India

Shimco, a world-wide leader in the manufacture of precision parts, announced the appointment of Avdel Aerospace as the exclusive representative in India for all Shimco parts and services. The agreement was signed at the 2015 Paris Air Show.

Avdel Aerospace is a division of Avdel (India) Pvt. Ltd. which was founded in 1961 and supplies fasteners, raw material and other hardware to aerospace and industrial customers. With warehouses and sales office locations around India including Mumbai, Bangalore, Chennai, Thiruvananthapuram and Kanpur, Avdel Aerospace has a strategic advantage of effectively covering the geography of the major aerospace pockets around India. Avdel's aerospace division is the largest Indian hardware supplier/distributor to

the aviation sector.

Nandish Jingade of Avdel Aerospace comments, "We were actively searching to represent a supplier of high-quality precision parts, and Shimco was at the top of the list. Shimco has built a successful business of metallic and non-metallic precision parts, with a specialty in gap management solutions for sub and final assemblies, and partners directly and indirectly with many of the world's largest Tier 1 and OEM aerospace companies including Airbus, Asco, Boeing, Bombardier Aerospace, Bell Helicopter, Embraer, UTAS, RTI Claro, Sonaca, SPP, MHI and Wesco Aerospace. Avdel Aerospace is honored to be their exclusive representative in India and we look forward to building their future success in the Indian market."



"I met with other potential distributors and representatives in India, but found Avdel Aerospace to have the most breadth in terms of customer base, knowledge and experience," comments Peter Voss of Shimco. Avdel Aerospace represents several well-known leading international hardware and raw material manufacturers and is equipped with a solid team of sales engineers and supporting staff. With Avdel Aerospace on board, Shimco is set for considerable growth in India."

PSM International Taiwan Awarded the Top 1000 SME in Taiwan for 2015 by Dun & Bradstreet

PSM International won "2015 D&B TOP 1000 SME Elite SME Award" in Taiwan. TOP1000 winners have been selected by D&B, Development Research Institute and United States Institute in Taiwan (AIT). The official awards ceremony will be held at Oct.21.2015 in Taiwan.

This award is specially held for Taiwanese small & medium-sized enterprise (so-called SME). The selection was based on the "financial pressure index", "purchasing power index" and "growth of export" for the past three years. The grand total number of the SME in Taiwan is over 1.3 millions. Remarkably, PSM International was in the final list of Top 1000 out of the 1.3 millions companies.

PSM International commenced its first overseas manufacturing site in Taiwan at 1982, named "PSM Fasteners (ASIA) Limited". For nearly a century, PSM International is a worldwide market leader in design, production, and distribution of special engineered fasteners, provide fastening solutions for Automotive, Home Appliances, Consumer Electronics and other manufacturing sectors.

Thailand's Automotive Production in 2014 Down 23% to 1.88 Million Units

The Federation of Thai Industries revealed that the country's total automotive production in 2014 was 1.88 million units, much lower than the estimated 2.1 million units. The Federation sets the target capacity of 2015 at 2.2 million units.

Japanese Nagano Products Company to Set up a Production Base in India



Nagano Products Co., Ltd will set up a wholly-owned production base in India. The India base is planned to start after one or one and a half year for producing special nuts supplied to Japanese automotive industry. The company specializes in flare nuts with special shapes that are applied to braking system and hydraulic pipes. Additionally, the company combines pressing and NC machining to produce through-type nuts and sleeves.

Nippon Steel & Sumikin Bussan Corp and Nichiwa Establish Joint Venture in Thailand

Nippon Steel & Sumikin Bussan Corp and Nichiwa have set up a joint venture (investment: JPY 64 million) in Thailand, named Nichiwa (Thailand) Co., Ltd. The joint venture plans to produce and sell primary cold-forged products such as weld nuts.

Japanese OSG Corporation Completes New Coating Plant



OSG Corporation has completed a new coating plant in order to enhance coating capacity and expand market share in the global plane industry. Inauguration of the plant was held on May 15 with the attendance of chairman, corporate representatives, and related construction companies. The new plant will be dedicated to providing customers with a coating processing system at higher quality as well as developing new production technology and coating materials.

JFRI Prepares to Standardize Flange Hexagonal Bolts Used for Vehicles

Japan Research Institute for Screw Threads and Fasteners (JFRI) aims to internationally standardize flange hexagonal bolts used for vehicles to decrease vehicle weight and fuel cost. In its business report for 2014, the institute is preparing for the birth of an international standard for ISO/TC1 (screw), TC2 (fastening component), and TC20/SC4 (aerospace fastener). This time Germany will be in charge of standardizing fastening components. In the international assembly held in Milan (Italy) in October last year, the Japanese chief commissioner was present to review the draft, new registration and revision of standards. Japan is preparing to add flange hexagonal bolts used for vehicles into standardization and plans to finish within 3 years. 2014 is the second year of the plan. The new proposal for flange hexagonal bolts denotes that Japan is turning from a passive role into an active contributor to international standardization.



Tesla Boosts Sumeeko's Annual Revenue by 10%

Owing to the increasing sales of Tesla that also boosted the sales of Taiwanese automotive components suppliers, Sumeeko, which focuses on manufacturing automotive fasteners, reported its June revenue at NT\$0.121 billion (which is an annual increase of 10% and the 2nd highest record in the company's history). One market survey reported that with the continuous increasing sales of current car models and the upcoming release of Model X in Q3 2015, Sumeeko's annual revenue generated from Tesla this year will represent 8-10% of its total revenue compared to last year's 4%.

With good expectation to the current order backlog, Sumeeko continues the installation and relocation of machines in the Pintung-based new factory it bought last year. Its Board of Directors has approved NT\$ 0.2 billion capital expenditure for this year, mainly for the needs of the new factory and the installation of machines.

Chun Yu (Taiwan) Sees Stable Orders Though the Effects of Depreciated Euro and Yen Exist

Chun Yu, the long-standing fastener giant currently sees stable purchase orders as a result of proper adjustment in the market, product and client structure, but in the short term it has to keep a close watch on the effects of depreciated euro and yen. Its factory in Anshan China plans to dispose of a part of equipment this year in order to halt business deterioration. Its factory in Dongguan China expects to increase assets in the mid and long term with the help of the government's "3 reforms" policy.

Chun Yu has factories in Taiwan, China, and Indonesia. Its products are reputable in the world. The Taiwan and Dongguan factories have acquired accreditation in railway fasteners, and prospect for future business opportunity is optimistic. The Taiwan factory has relatively stable profit, but Chun Yu's diversified reinvestments, which have not earned profit yet, are restricting the overall profit performance.

The Taiwan factory accounts for 50% of its total revenue, the China and Indonesia factories both take a little more than 20%. The Taiwan factory now sees pretty good order reception, but the profit performance in the short term may be restricted by recent euro and yen depreciation because around 40-50% of revenue comes from Europe and Japan.

Zyh Yin Enterprise Started with NTD75 Thousand and Eventually Became A Giant in Furniture Screws

35 years ago, Zyh Yin Enterprise started the business with only NTD 7,5000 investment. At that time, 80% of Taiwanese furniture companies were using Zyh Yin's products and Zyh Yin was actively expanding overseas market share. 35 years later, Zyh Yin's furniture screws represent 60% of global production and are exported to more than 50 countries in the world. Even IKEA and Home Depot use its screws.



IKEA is the most renowned and largest assembly furniture company in the world. The contributor to IKEA's success is "screws" that put the furniture together. Zyh Yin is IKEA's biggest furniture screw supplier. Zyh Yin is located in Yanchao District of Kaohsiung City. It is a typical champion enterprise that started humble and turned into a giant in furniture screws.

Zyh Yin's world championship in furniture screws actually came by surprise. President Chen Chi-Hsiang started his career in the furniture industry, and he did not even intend to enter the fastener industry until he finally did. Now, Zyh Yin's annual capacity is 50 thousand tons, and its annual revenue is NTD 2.3 billion. Ten years ago, Zyh Yin closed its furniture factory and solely focused on the development in furniture screw industry, dedicated to becoming the sole furniture screw giant for the world. Currently, Zyh Yin has 7 factories in Taiwan, as well as factories under development in Malaysia and China. President Chen's ambition is apparent. In 2014, he took over his friend's iron wire company, Syong Shun Metal Co., Ltd. Now, Syong Shun Metal's capacity reaches 20 thousand tons at maximum, topping the total production of iron wire in Taiwan. "Syong Shun Metal will go public in two years," said President Chen with a smile on his face.

Sheh Kai Develops New Anchors with High Gross Margin



Taiwanese leading bi-metal screws manufacturer Sheh Kai Precision Co., Ltd., after getting away from the entanglement of EU's antidumping measures, has successfully developed a new type of anchor, which is expected to create a gross margin of up to 35% and is currently in the process of applying for EU's certification, offering a promising future to the company. A corporate survey reports that Sheh Kai has a high-level technical engineering capability and it has effectively gained its own share and unique competitive edge in the global market (especially in Europe) with the famous bi-metal screws.

General manager Lin said that Sheh Kai's major products (bi-metal screws) were once greatly influenced by the EU's antidumping measures and were subject to a duty rate of up to 23.6% before it was successfully excluded from the measures. As of now, the competitive edge of Sheh Kai in Europe has been greatly increased. Lin added that as the bi-metal anchors Sheh Kai developed for various concrete wall applications have high quality, it has gained lots of orders from USA and Australia.

Taiwanese Fastener Export Peaks in 2014

Taiwanese fastener export climbed to a new high record in 2014. According to statistics, the total export volume reached 1.5252 million tons, with an annual growth of 9.31% and the cumulative sales reached USD 4.252 billion (approx. NTD 133.938 billion), with an annual growth of 10.12%, both breaking the records in history. UK, Germany, Netherlands, Japan, and USA are the top 5 export destinations for Taiwanese fasteners. Except for a slight decline in Japan, other countries all showed growth, especially UK with a growth rate of 23.98%, followed by Germany (11.29%) and USA (9.31%).

Analysts said that main reasons for the growth in Taiwanese fastener export last year were the recovering U.S. market, as well as the substantial growth in the market demand of Europe, including a 15% growth in Italy, 24% in Poland, 27% in both France and Sweden, 25% in Spain, and a substantial growth of 40% in Belgium.



Chun Chan Tech Increases Market Share Through Sales of Customized Sorting Machines



In a world of global competition, requirements on the precision, speed, and accuracy of inspection technologies and facilities have become higher and higher. As a result, the development of precision inspection technologies has been more important than it was before and has become an efficient tool to increase product value and grasp business opportunity. Chun Chan Tech specialized in various precision inspection technologies integrates the applications of optical,

mechanical, and electronic control engineering and can offer customizing service as per customer's request. Its products can be applied to the areas of screws, nuts, fasteners, rubber, electrical parts, etc. Its nut sorting machine is also commonly used in Taiwan.

President Lu emphasized that Chun Chan develops software by itself, so it can keep the know-how in the company, maintain its competitive edge, and provide all-in-one service to customers. Customization is the strength of Chun Chan. In order to help fastener manufacturers solve their problems, it then developed the 1st sorting machine for the inspection of head cracks, thread damages, and unexpected curves. He said, "The internal structure is one of the key points all manufacturers concern about. Chun Chan will never be left behind in this case and is confident of gaining high market share."

Taiwanese Fastener Industry is Looking to Raise Overseas Sales by 10%



According to Taiwan Industrial Fastener Institute (TIFI) chairman Anchor T.H. Chang, last year Taiwan's fastener export set new records in volume and monetary terms. He is optimistic about the business opportunities in Fastener Fair Stuttgart 2015, and hopes to increase Taiwan's fastener export volume and value by 5%-10% this year for a new record.

The government says Taiwan has become the second largest fastener exporting country, hoping that industry players cooperate with the Metals Industry Research and Development Center (MIRDC) to elevate R&D ability to produce fasteners of higher unit price and increase profit. Anchor T.H. Chang indicates, last year Taiwan exported 1.6 million tons of fasteners, only second to China, but Taiwan exported at an average unit price of USD 2.67/kg, higher than China's USD 1.66/kg. Therefore Taiwan's fastener export value last year reached a new record of USD 4.26 billion. He hopes to increase that value by at least 5% this year with the industry proactively expanding overseas market shares.

China's Steel Companies Enter Malaysia, Targeting ASEAN Market

As the representative of Taipei Economic and Cultural Office in Malaysia pointed out, Guangxi Beibu Gulf International Port Group, Ltd will invest MYR 3.5 billion (USD 970 million) through Alliance steel company to build Malaysia's largest comprehensive steel plant located in Kuantan Industrial Park (Pahang State). The new plant will mainly produce high carbon steel and H-beams with an annual capacity reaching 3.5 million tons. Although this causes concerns over excessive steel supply in Malaysia, Alliance steel company is certain about ASEAN's annual steel consumption of up to 40-50 million tons, judging from Malaysia's comparatively smaller steel market demand.

Additionally, Alliance steel company's entry directly affects Malaysian upstream steel makers like Ann Joo Steel Berhad, ZHUMADIAN Southern Steel-Making Plant Co. Ltd., and The Lions Group. Previously, China's low-priced steel products were substantially dumped into Malaysia and caused Perwaja Steel Sdn Bhd to shut down a plant in Terengganu State. Downstream steel makers and end-users on the other hand will continue to benefit from cheaper steel price resulted from excessive steel supply.





Pinghu Dragon Fastener Going Listed in Shanghai Stock Exchange

Since June 8th of 2015, Pinghu Dragon Fastener Co., Ltd. has been officially registered on Shanghai Stock Exchange and can be traded publicly. President Gu of Pinghu Dragon Fastener and other directors all attended the public listing ceremony of the company.

President Gu said, "The listing in Shanghai Stock Exchange helps Pinghu Dragon Fastener win a ticket to the gate of the capital market and consolidates a solid base for the next step of the company. Pinghu Dragon will fully utilize the capital market to integrate resources, optimize the corporate structure, accelerate developments, and enhance its core competitiveness."

Pinghu Dragon was founded in 1978. Through years of development, it has become a professional manufacturer and exporter of nuts, flat washers, and stamped parts. Major facilities in the plants of Pinghu Dragon were introduced from Taiwan and major machines for inspection (incl. Brinell/Rockwell/Vickers Hardness Testers, Thickness Testers, Salt Spray Testing Lab, Optical Projector, etc.) have also been installed in its plants. The specifications of its nut production can be in sizes of M3-M24 and the annual production of nuts reaches 9,000 tons; the specifications of its high-strength washers can be in sizes of M1.5-M110 and the annual production of high-strength washers and stamped parts reaches over 8,000 tons. The total production of Pinghu Dragon Fastener in 2013 was RMB0.13 billion, up about 10% over last year's production value.

Every year Pinghu Dragon Fastener can develop 3 to 4 new products. It now has 28 patents including 5 for new inventions. 95% of its products are for export and some of these exported products are even used by Russian military industries.

Oriental Bluesky Titanium Technology's High-end Fasteners Help Chinese-made Aircrafts Fly High



Oriental Bluesky Titanium Technology Co., Ltd. is the first Chinese fastener supply company that has been approved to supply fasteners used on C919 (a new aircraft developed by a Chinese company). Oriental Bluesky has been registered into the supplier list for commercial flight and can thus provide products and service to various large sized aircrafts.

C919 is the first large sized aircraft that is 100% designed and produced in China for commercial flight. It is expected that the flight test will soon be implemented this year and the first-batch aircrafts will be delivered to the customer in 2018. The assembly of a C919 will need over 1.8 million pieces of fasteners including over 0.2 million pieces of Ti-alloy fasteners. When the capacity of Oriental Bluesky for manufacturing Ti-alloy fasteners is fully utilized, about 4 million pieces of high-end fasteners will be produced every year, which can thus satisfy roughly 30% of the total demand of the Chinese market for aviation and aerospace fasteners.

"At the inception of the company, Oriental Bluesky focused on the development of products used for C919. Now it is able to produce 70% of all the fasteners used on C919," said Xin Wang., "Such a result is not only favorable to the acceleration of the development program of big planes 100% made in China but also helps promote Chinese brands through providing service to the development of satellites and rockets as well as project cooperation with domestic Chinese leading universities.

China's Fastener Production Increased 5.88% in 2014

According to the data released by China General Machine Components Industry Association (CMCA), in 2014 the total production of Chinese fastener industry steadily grew to approx. 7.2 million metric tons (a 5.88% increase over the same period in the previous year) and the total sales grew 5.2% over the same period of the previous year to CNY71 billion (about USD11.6 billion). 2.8 million metric tons of the production were for exports, generating the revenue of USD5.28 billion.

Chinese Fastener Export Threatens Indian Counterparts

It is reported that the Indian nuts and bolts manufacturers are in a very difficult time due to an unstoppable challenge from China. Nearly 40% of the local Indian fastener market has been influenced by the dumping of cheap nuts and bolts from China. Statistics show that there were nearly 2,000 nuts and bolts manufacturers in India 3 years ago; however, the figure has dropped to 1,500 now. Some Indian companies were even reported to leave for another industry sectors due to their

inability to compete with their Chinese counterparts.

Some members of the Indian Fastener Suppliers Association have appealed to the government and said that some appropriate measures (e.g., reasonable antidumping measures) should be adopted to prevent Chinese cheap nuts and bolts from being imported to India. These members also consider that antidumping is currently the best way to deal with the problem.



During the time when several countries have turned to imposed antidumping measures to protect their own industries, such comments or ideas did cause similar sentiments in the Indian nuts and bolts industry. These companies wish that through measures adopted by the government the local industry can be saved.

Oceania

S&T to Acquire MSL Also Known as Fortress Fasteners

Steel & Tube Holdings Ltd (S&T) has entered into an agreement to acquire the business and assets of Manufacturing Suppliers Limited and its related companies (MSL). MSL is one of the largest fastenings businesses in New Zealand. Its iconic Fortress brand was introduced in 1997 and has become a market leader with a reputation for quality and reliability.

S&T CEO Dave Taylor says: "The acquisition provides an excellent opportunity for our customers, offering them greater fastenings expertise and access to a wider range of products. It will strengthen our offering in the fastenings space and reinforce our position as New Zealand's leading steel distribution company, providing outstanding steel solutions to construction, manufacturing and rural businesses throughout the country. Together we can deliver even more innovative products and offerings to our combined customer base. Our

customers will continue to see the Fortress Fasteners brand and the business will continue to operate under the name MSL."



The consideration for the acquisition is \$32 million, \$26m in cash and \$6m shares in S&T (subject to any adjustment under the sale and purchase agreement). The transaction is conditional on normal pre-completion matters and S&T expects completion to occur within about 6 weeks. Mr. Taylor added: "This is all about growing, innovating and competing in a rapidly changing market."

This is the second acquisition that S&T has made in a little over 12 months, and continues its strategy of consolidation of key steel distribution sectors in NZ. S&T acquired Tata Steel Australasia in April 2014.

Europe

Airbus A330 Completion, Delivery Center to Be built in Tianjin



An A330 completion and delivery center (C&DC) will be set up in Tianjin, northern China, the aircraft manufacturing giant Airbus announced in a press release. The plant will employ about 250 people and have an output of two aircraft per month. The first delivery is planned by the end of 2017, according to Airbus.

Airbus and its Chinese partners, namely the Tianjin Free Trade Zone Investment Company Ltd. (TJFTZ) and the Aviation Industry Corporation of China (AVIC), signed a framework agreement to set up the A330 C&DC Tianjin. "The signature of this framework agreement on the A330 Completion and delivery center will open a new chapter of strategic cooperation on wide-body aircraft with China." Together, we

will develop new facilities and capabilities, and attract new suppliers and businesses in China," said Fabrice Bregier, Airbus president and CEO.

Airbus also signed a letter of intent with AVIC on cabin development cooperation and procurement frame contract with Zhejiang Xizi Aerospace Fastener for design, development, manufacturing, and supply of standard fastener parts.

At the present, the in-service Airbus fleet with Chinese operators comprises over 1,150 aircraft (over 150 A330 Family and over 980 A320 Family aircraft). In the period between 2014 and 2033, Airbus forecasts a demand in China for more than 5,300 new commercial passenger aircraft.

World

Global Industrial Fastener Demand to Reach US\$104 Billion by 2020

According to a recently released market report by Grand View Research (GVR), the global industrial fastener demand will reach US\$104 billion in 2020.

In this report 3 categories of fasteners (incl. externally threaded fasteners, aerospace fasteners, and other standard fasteners) were analyzed. The report pointed that, owing to the increasing fastener demand of the automotive industry, the global industrial fastener demand will demonstrate a substantial surge in the following 6 years.

GVR said that, with the economic growth and industrial development of the US, China, Brazil, Russia, Poland, and India, the building industry within all these countries will continue to grow, thus increasing the demand for fasteners. In addition, the growth in electronics/electrics, aerospace/aviation, machines, MRO, and automotive markets will also elicit more demand for fasteners.

The development of rail fasteners is also expected to create a new business area and can be a help to enhance processing technologies and mechanical performance. ■

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