快速起飛的新興扣件市場

The Fast Growth in Emerging Economies

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The fastener market is the highly fragmented industry known with aggressive competition among several large and small players competing to continue their respective market positions. In various regions, industry alliance is a major trend as small players merge operations with larger prominent players to leverage their markets and resources.

Intensified fixed investments and growth in a number of industrialised bases have heightened fastener demand from the emerging economies compared to the more developed markets. Consequently, fast sales growth in Asia-Pacific, Latin America, the Middle East, Africa and Eastern Europe is anticipated to overtake demand in China, Japan, Europe and the US.

Moreover, a constructive economic environment and increasing income levels pushing to an increase in demand for durable goods will drive growth in India, Thailand and Taiwan. Although, emerging economies will grow rapidly, developed markets such as Western Europe, the US, Japan and Canada will still remain to be the market leaders in terms of the number of intensive users for fastening products, revealing the technological and industrially advanced nature of these countries.

Over the last few years, industrial development in the emerging markets has led to enlarged government spending to improve infrastructure in key territories, including China, India, Russia and Central and Eastern Europe, a trend which is ongoing in the face of the current economic downturn. Manufacturers have significant opportunities to win work as governments increasingly open doors to inbound investment, through various types of collaboration such as joint ventures, foreign direct investment, and partnering.

Asia-Pacific is entitled as the fastest and largest developing regional market worldwide, rising at a compounded annual rate of 10.5% between 2010 and 2018. Remarkable growth in the Asia-Pacific market can be credited to China. China is the leader in the fastener market and is the major manufacturer and exporter of industrial fasteners in the world.

The growth of the automotive industry and enlarged production of industrial machinery, electrical and electronic tools and parts have accelerated the growth in fastener markets in China and emerging countries. Moreover, infrastructure renovation delivered plenty of opportunities for development of the industrial fasteners market in emerging economies.

Although bolts are the major product segment in the industrial fasteners market, the rising demand for specialized aircraft products and construction is a major aspect driving growth in this product category. Non-threaded standard and high performance fasteners are expected to hit the highest demand in near future. The demand for hi-tech and high performance fasteners will probably grow faster because of the new car and automotive applications. The aerospace and automotive industries would continue to create the bulk of industrial fastener demand. Aviation industry development and government expenditures in commercial and military aircrafts and future aerospace projects such as solar research, aerospace shuttles and satellites, have generated further demand for special and hi-tech aerospace fasteners. Similarly, fasteners used in electronic products, along with high-performance and high-end specialty designs, are anticipated to have the fastest growth rates.

The import regulations and restrictions in many countries against Chinese fastener and steel products have created the opportunities for other manufacturers in emerging markets to expand their customer base as well as their market share in the fastener market.

Construction and Infrastructure Investment

Investments in infrastructure and rise in the number of development have significantly boosted fastener demand from the emerging economies compared to the more developed markets. Construction is expected to be one of the most dynamic industrial sectors in the next fifteen years and is extremely essential to the growth of the fastener market. As reported by PwC the global construction is forecast to grow by 85% to $15.5 trillion worldwide by 2030, led by three countries, China, US and India, that will register about 57% of the global growth.

In other emerging markets, the substantial weakness is projected in Brazil and Russia, while surprising growth is expected in Indonesia. By 2030, in Latin America, Mexico is projected to leave Brazil behind, as in Asia, Indonesia will overtake Japan. Accordingly, the further reading section of this article has been focused more on the construction and infrastructure's investment in emerging economies.

China

Although China's construction growth is to slow noticeably with a decline in housing output, the new types of construction in healthcare, education and social infrastructure, as well as retail and other consumer end-markets will grow.

Chinese government by knowing the value of smart infrastructure investment as a driver of economic growth disclosed a massive infrastructure spending packages. The emphasis on infrastructure investment is a powerful form of economic stimulus. To stimulate growth, many investments have been done in various projects such as railways, highway construction, wastewater treatment plants, etc.

For all of its progress in recent decades, China still has plenty of work to do specifically in roads, ports and air transport infrastructure. China is forecast to put more attention on not only vital sectors but on particular regions that are moderately undeveloped. Until now, eastern China has attracted much of the country's infrastructure spending, but this is expected to change as the government moves its focus to the poorer central and western regions, where massive area for improvement is required.

Brazil

Brazil considerably requires infrastructure in many of the sectors such as railways, ports, roads, airports, energy and telecommunication. Brazil has been ranked poorly in terms of the quality of its infrastructure; however in recent years this country has been improved and the rate of investment in infrastructure has risen. Brazilian government has expended more than USD80 billion for couple of years in the infrastructure to boost the scale and effectiveness of both public and private sectors. As one of the development examples, the infrastructure budget for the 2016 Olympics in Rio is USD 14.2 billion. One of the most severe infrastructure bottlenecks is in civil aviation, with air passenger traffic at Brazil's 20 largest airports projected to 312 million in 2030. The government is addressing this with plans to privatize major airports in order to expand capacity. In this country, although the available resources remain insufficient, with growing middle-class population Brazil plays an important role in the global economy.

India

In recent years, the fast growth of the economy has retained increasing stress on physical infrastructure such as electricity, railways, roads, ports, airports, irrigation, water supply and sanitation, all of which already suffer from substantial deficit in terms of capacities as well as efficiencies.

While infrastructure development has always been on the top agenda for India, considering the current global economic dynamics as well as domestic growth imperatives, it has emerged as one of the single largest imperative which could seriously compromise the economic growth trajectory.

In India, the construction market is expected to grow almost twice as fast as China to 2030, bringing a new engine of global growth in emerging markets. However, this country doesn't have enough infrastructure for its ports and it can be considered as a serious problem for India where as much as 90% of international trade by volume is conducted via maritime transport.

India, which already has one of the world's largest road networks, needs an enormous number of new roads throughout the country which make significant demand on the fastener market.

Sources:

Global Industry Analysts, Industrial Fastener Market

PWC, Emerging Markets Series

Deloitte, Funding the Infrastructure Investment Gap