

Fastener World News

compiled by Fastener World

Industry Update

6 Fastening and Hand Tools Related Manufacturers Awarded iF Design Award 2019



The more than 60 years old iF design award has announced its winners for 2019. Six fastening and hand tools related manufacturers were awarded this honor based on their outstanding design achievements. The awarded companies in the “Industry” and “Tools” categories this year are:

- Hilti- DX-9 Powder-actuated Nail Gun
- BOSCH- IXO 6 Cordless Screwdriver & YOUseries Power Tools
- William Tools- Screen Slipping T-Handle Torque Hand Tool
- SW-Stahl- Reversible Ratchet
- VBW- LightCut Pro Bolt Cutters
- ELESA- VB.839 Three-arm Knobs

The iF Design Award is an annually held event. The last registration chance for the 2020 edition will be closed on 10/18/2019 and iF design award night 2020 will take place at the legendary Friedrichstadt-Palast in Berlin for the first time!

Trump: The US\$ 325 bn Worth of Goods Originating in China May Still be Imposed with Extra Tariffs

According to foreign news, in the G20 Summit held in Osaka (Japan), the U.S. President Donald Trump once agreed to suspend the imposition of possible extra tariffs against the US\$ 325 bn worth of Chinese goods imported into the U.S. and China agreed to make a large amount of purchase of U.S. agricultural products in return. However, the seemingly smooth result is very likely to be overturned when China is yet to realize its promise over the purchase of a great amount of U.S. agricultural products.

Trump noted in a Cabinet meeting that the trade war between the U.S. and China is not going to end soon and if the U.S. has to impose the extra tariffs against the US\$325 bn worth of Chinese goods imported into the U.S., it will. Trump also added that his friendship with President Xi has not been as close as it was before.

It is known that U.S. trade representatives are still in negotiations with the representatives from China. The trade war between these two countries does not seem to come to an end in the short run.



Romania Reports Around 0.22 Million Units of Sedan Production in First 5 Months 2019

In the first 5 months of 2019, around 0.22 million units of sedans were manufactured in Romania. This figure is also very likely to reach a new high this year.

Romanian car manufacturer Dacia is under control by French Renault Group. In the first 5 months of 2019, the production of Dacia at its Mioveni plant increased by 10.5% from the same period in 2018 to reach 160,498 units.

The model with the highest production was Dacia Duster (reaching 123,561 units), followed by Dacia Logan (reaching 15,327 units), Dacia Sandero (reaching 14,592 units) and Dacia Logan MCV (reaching 7,018 units).

Since 1999 Romanian car manufacturer Dacia has become the subsidiary of French car manufacturer Renault.

The sales of Dacia in the EU in the first 5 months of 2019 were up 12.1% to 253,124 units, higher than the performance of Seat or Hyundai and close to Citroen.

Dacia's opponent in Romania is Ford. In the first 5 months of 2019, Ford manufactured 59,450 units of cars at its Craiova plant, up 1.2% from the same period in 2018.

In 2018 Dacia and Ford manufactured more than 0.5 million units of cars, reaching a new record.



U.S. Department of Commerce Announces Three Affirmative Preliminary Circumvention Rulings on Exports of Steel Products from Vietnam

Today, the U.S. Department of Commerce announced three preliminary affirmative circumvention rulings involving exports of steel products from Vietnam. The circumvention rulings cover certain steel products that are first produced in Korea and Taiwan, which are then shipped to Vietnam for minor processing, and finally exported to the United States as corrosion-resistant steel products (CORE) and cold-rolled steel (CRS).



As a result of today's affirmative circumvention determinations, Commerce will instruct Customs and Border Protection to begin collecting cash deposits on imports of corrosion-resistant steel products and cold-rolled steel produced in Vietnam using Korean- or Taiwanese-origin substrate. These duties will be imposed on future imports, and also on any unliquidated entries since August 2, 2018 (the date on which Commerce initiated these circumvention inquiries). The applicable cash deposit rates will be as high as 456.23 percent, depending on the origin of the substrate and the type of steel product exported to the United States.

U.S. law provides that Commerce may find circumvention of antidumping duty (AD) or countervailing duty (CVD) orders when merchandise that is the same class or kind as merchandise subject to existing orders is completed or assembled in a third country prior to importation into the United States.

Shipments of CORE from Vietnam to the United States increased from \$22 million (in the 40-month period of September 2012 until preliminary duties imposed on South Korean and Taiwanese products in December 2015) to \$933 million (40-month period from imposition of preliminary duties in January 2016 until April 2019), which is an increase of 4,076 percent. Additionally, shipments of CRS from Vietnam to the United States increased from \$49 million (in the 38-month period of January 2013 until preliminary duties imposed on South Korean and Taiwanese products in February 2016) to \$498 million (38-month period from imposition of preliminary duties in March 2016 until April 2019), which is an increase of 922 percent.

These inquiries were conducted pursuant to requests from U.S. domestic producers of CORE and CRS: Steel Dynamics, Inc. (IN), California Steel Industries (CA), AK Steel Corporation (OH), ArcelorMittal USA LLC (IN), Nucor Corporation (NC), and United States Steel Corporation (PA).

The strict enforcement of U.S. trade law is a primary focus on the Trump Administration. To date, the Trump Administration has issued 31 preliminary and/or final anti-circumvention determinations – this is a 417 percent increase from the number of preliminary and/or final circumvention determinations made during the comparable period in the previous administration.

The U.S. Department of Commerce's Enforcement and Compliance unit within the International Trade Administration is responsible for vigorously enforcing U.S. trade law and does so through an impartial, transparent process that abides by international law and is based on factual evidence provided on the record.



Fastenal's Lower-Than-Expected H1 Revenues as the Negative Outcome of Tariff Battle

Fastenal, an industrial and construction materials distributor valued at USD 17 billion, reported lower-than-expected revenues and profits for the second quarter which underscores the impact of tariff costs and inflation caused by the U.S./China trade war. Fastenal is the largest industrial fastener distributor in North America. In a press release, Fastenal stated that it raised product price to mitigate the tariff of China's products, but that higher product pricing was not enough to mitigate the general inflation on the market.

Fastenal reported the second-quarter revenue at USD 1.37 billion which was lower than what analysts had expected. Peter Boockvar, Chief Investment Officer of Bleakley Advisory Group, said, "The global manufacturing sector is now in contraction. Definitely more companies will sound alarms on China tariffs heading into this earnings season."

In May, the U.S. raised the tariff rate from 10% to 25% on USD 200 billion worth of China's products, and China retaliated with a tariff on USD 60 billion worth of American products. Although the U.S. and China agreed on a truce in G20, a long-term trade protocol does not seem to be coming true anytime soon. According to Washington Post, China's negotiation team has a few new members including China's Commerce Minister Zhong Shan who is a hardliner in the eyes of White House officials. In the re-opened trade talk which is to come, the new development further undermines the hopes for China's concession.

Trump said multiple times that the U.S. is imposing a tariff of billions of US dollars on China, but many economists and institutions, including the IMF, have pointed out that the American companies will pay the price. Research by IMF finds that the tariff on China's products are mostly absorbed by the American importers.

Taiwan Fastener Export to Europe Rebounds to a Positive Growth This April

Although Taiwan's fastener export to the EU dropped in Q1 2019, it bounced back to a positive growth in April. Take its export to Germany in April for example, the amount reached 12,541 tons, up 8.76% from the corresponding period last year, followed by the UK (5,086 tons, up 14.8%), France (2,604 tons, up 42.8%), and Spain (2,120 tons, up 12.5%). The cumulative export to the UK in the first 4 months reached 20,141 tons, up 10.6% from the corresponding period, which can be mainly attributed to the lower export amount in the corresponding period last year. On the other hand, the most significant drop was seen in Taiwan's export to Italy, down 13.04%.



Compared to the corresponding period last year, countries showing the declining import from Taiwan in the first 4 months of 2019 are Poland (11,282 tons, down 1.91%), France (9,191 tons, down 3.09%), Spain (8,074 tons, down 6.1%), Belgium (6,057 tons, down 10.5%). In conclusion, Taiwan's export to the EU in April 2019 bounced back to a positive growth, but if viewed from the cumulative 4 months in 2019, its export was still trending downward.



Taiwan Fastener Export to USA in First 4 Months 2019 Grows 10.6% Compared to Last Year

Taiwan exported 57,139 tons of fasteners to the USA this April, up 8.33% from the corresponding period last year. Compared to the export this March (62,377 tons), though it dropped by 8.4%, the average price this April still reached 2.77 USD/KG, not only up 0.5% from March, but also up 1.26% from the corresponding period last year. In the first 4 months of 2019, Taiwan exported 236,377 tons of fasteners to the USA in total, up 10.2% from the corresponding period last year. The average price reached 2.73 USD/KG, up 0.32% from the corresponding period last year. Both the export volume and the export price showed an increase.

In 2018, Taiwan exported 698,155 tons of fasteners to the USA, up 7.12% from the corresponding period in 2017, and the average price was 2.738 USD/KG, up 7.7%. In terms of the export value, in 2018 Taiwan exported USD 1.91147 billion worth of fasteners to the USA, up 15.36% from the previous year, hitting a new record in its history.



Japan Ranked Taiwan's 3rd Largest Fastener Export Destination in May 2019

In May 2019, Taiwan exported 6,576,973 kg of fasteners to Japan, making Japan the 3rd largest fastener export destination for Taiwan (note: the 3rd place was originally taken by the Netherlands). Although the export volume to Japan later returned to the 4th place in June, the export value remained at the 3rd place, reaching around USD 18.25 million (up 1.86% from the same period last year). The Japanese government adjusted upward its forecast for the economic growth rate in Q1 (with a quarter-to-quarter ratio being 2.2%), but Japan is also facing uncertainties such as the increase in its domestic consumption tax rate and the global trade disputes. Accordingly, it'll still require time to tell whether Taiwan's fastener export to Japan will continue to grow this year or not.

The change in ranking this time can be mainly attributed to a significant drop of Taiwan's fastener export to the Netherlands. In May 2019, Taiwan exported 6,520,654 kg of fasteners to the Netherlands, a huge decline of 24.15% from last year. Although the figure slightly went up and reached 6,686,225 kg, it was still a drop of 16.08% if compared to last year. In May 2019, Taiwan's fastener to Japan grew 11.69% from last year and also showed a growth of 9.26% in June, making Taiwan's fastener export to Japan (whether calculated in volume or price) outpace that to the Netherlands for the first time. Even through June, the export price to Japan still remained at the 3rd place and the price was up 1.86% from last year.

Thai Car Production This June Down 8.5% from Last Year, Export Up 2.4%

According to the "United Daily News Bangkok," up to 17,287 units of cars were produced in June 2019. The figure was down 8.52% from the same period last year and was down 4.66% compared to the previous month. Influenced by the slump of its production for domestic sales, Thai car production in the first half of 2019 amounted to 1605,945 units, slightly up 0.89% from the same period last year.

It is reported that this June 97,575 units of cars were exported and the figure was up 2.4% from the same period last year. To conclude, the total car export in the first 6 months this year reached 559,861 units, slightly down 0.37% from the same period last year.



Vietnam's Car Import Volume Hikes by 6 Times in H1 2019

According to the statistics of Vietnamese Customs, in the first 6 months of 2019, 75,437 units of cars were imported to Vietnam. This figure is around 6 times the record in the same period last year. In terms of the import value, the figure also increased by at least 5 times, reaching USD 1.63 bn.

To view the data by car type, 5,427 units are vehicles for 9 or less passengers (increasing by 6 times from the same period last year) and 17,879 units for trucks (also increasing by more than 6 times from the same period last year).

If to calculate one single month in June, 10,540 units (valued at USD around 0.254 bn) were imported to Vietnam (up 26.5% from the same month in 2018). Amongst the figure, 7,145 units (valued at USD 0.137 bn) are vehicles for 9 or less passengers, representing around 67.8% of its total car import. 2,731 units (valued at USD 77.10 million) are trucks. 654 units (valued at USD 40.30 million) are vehicles for special purposes.

In addition, in June 2019 Vietnam imported around USD 0.291 bn worth of auto parts, down 18.4% from the same period last year. Its main auto parts import origins are South Korea, Japan, Thailand, China, Indonesia and Germany.

Thailand is the largest car import origin of Vietnam. In June, Vietnam imported 7,575 units from Thailand, followed by Indonesia (1,468 units), China (653 units), S. Korea (274 units) and Japan (150 units). These 6 largest import origins represented 96% of the total car import of Vietnam in June.



China's Fastener Export to the U.S. Shows a 26% Drop in First 4 Months

In the first 4 months of 2019, China exported 225,480 tons of fasteners to the U.S., which is a significant drop of 26% if compared to its record last year. The avg. fastener export value of China was USD 1.86 per kg (+6.29% from last year). Influenced by the additional 25% tariff (which was originally 10% before Jan. 2019) the U.S. government imposed against China, China's fastener export to the U.S. last Nov. shows a short-term skyrocketing rise, which has resulted in an excessive inventory level in the U.S. fastener industry. However, China's fastener export to the U.S. started to decline after Dec. 2018 and still shows no sign of turnaround at the moment.





China's Fastener Export to Europe in First 4 Months 2019 Shows Growth in Volume and Decline in Price

Influenced by the U.S./China trade war, China is currently suffering from its fastener export to the U.S., so lots of Chinese suppliers have switched their focus to the European market. However, the existence of too many competitors on the market has also resulted in the drop of the avg. price despite the increase in the total export volume. In April 2019, China exported more than 70,000 tons of fasteners to Europe, a significant increase of 20.5% from March this year, but the avg. price was USD 1.84 per kg, down 4.46% from March this year and down 7.21% from the same period last year. In the first 4 months of 2019, China exported 0.257 million tons of fasteners to the EU, up 16% from the same period last year and the avg. price was USD 1.91 per kg, down 1.65% from the same period last year.



Companies Development

German Würth Group Celebrates 25 Years in China

The China branch of Würth Group held a 5th anniversary celebration event at its second-phase distribution center in Haiyan County of Zhejiang Province, China. Currently the group has deployed businesses in China. To provide modern logistics service for clients, the group set the distribution center in Haiyan County. Spanning an area of 80 thousand square meters, the center is on a 3-phase construction. "We have a great future ahead of us with Haiyan," said CEO Larry Stevens. The group has been with China's industrial market and seen its rapid growth since the group's founding.



Vossloh: Another Major Order Won for Rail Fastening Systems in China



Vossloh Fastening Systems has won another important order for the delivery of rail fastening systems for high-speed lines in China. This new order encompasses an equivalent volume of more than €40 million. The fastening systems are produced for the new-built high speed line connecting the cities Hangzhou and Taizhou, located south of Shanghai. The deliveries are to be started already in 2019, but are mainly expected from 2020 onwards. This order won confirms Vossloh's expectation that sales in China in 2020 will substantially increase compared to the current year. In 2018, Vossloh had already received three major orders in China with a cumulated volume of about €85 million, most of these deliveries will also occur after 2019.

Andreas Busemann, Chief Executive Officer of Vossloh AG: "The Vossloh Group has started the fiscal year 2019 with high order intakes. This new order from China continues this

Moody's: China's Car Sales to Drop 6.5%

According to Moody's (an American credit rating agency), the global car sales for the whole 2019 is estimated at 91.1 million vehicles, and 90.2 million vehicles for 2020. Despite Moody's expectation of a stabilized trend for China's car market in the second half of 2019, the downslope sales of the first half would cause the full-year sales of China's car market to drop 6.5%.



Early this March, Moody's made a similar prediction on global car industry, changing the status of car industry prospect from "stable" to "negative" with an estimated sales growth of 0.5% for 2019 and a return to 0.8% for 2020. In comparison, the latest prediction released by Moody's is more pessimistic, where the sales for 2019 and 2020 is predicted to drop 3.8% and 0.9% respectively and 10.2 million vehicles are subtracted from the previous total sales prediction.

Coincidentally, China Association of Automobile Manufacturers shares the same pessimism. The association adjusted full-year sales prediction from 28 million vehicles down to 26.68 million vehicles. According to the figures from the association, in the first half of 2019, China sold a total of 12.323 million vehicles, dropping 12.4%.

Atotech Appoints Josh M. McMorro as Vice President and Group General Counsel

Atotech announced that effective June 1, 2019, Josh McMorro has joined the company as Vice President and Group General Counsel. Mr. McMorro is part of the company's senior management team and reports to the CEO, Geoff Wild.



In his role, Mr. McMorro oversees Atotech's legal, compliance and intellectual property teams. In addition, he manages the company's HSEQ matters. Atotech is a company dedicated to the absolute safety of those who manufacture its products, those who use them, and their impact on the environment. As such, Mr. McMorro will facilitate a systematic approach to ensure the utmost safety while providing the highest quality products and equipment to Atotech's customers.

Prior to joining Atotech, Mr. McMorro served as Vice President, Chief Commercial Counsel and Global Head of Litigation at Weatherford International's global headquarters near Zurich, Switzerland. He began his career as a trial attorney and has worked as a General Counsel for such varied industrial businesses as Air Liquide and PSC (an industrial and environmental services company).

Mr. McMorro succeeds Mr. Gregor Frank, who is retiring this year.

trend and underscores again strongly our continued good market positioning in the high-speed segment for fastening systems in the Chinese market. Since the first major order in fiscal year 2018, the order backlog in the Chinese company of the business unit has more than tripled."

Vossloh has been present in China since 2006. Kunshan-based Vossloh Fastening Systems China Co. Ltd. is one of the locally leading providers of rail fastening systems for use on high-speed lines. At about 25,000 kilometers, China possesses the largest and most modern high-speed network in the world. Additional high-speed projects are under construction or in the planning stage, and should expand the rail network to 38,000 kilometers by 2025.



LISI Announces the Transfer of Its Activities Sheet Metal Primary Parts and Assembly (INDRAERO SIREN and LISI AEROSPACE CREUZET MOROCCO)

In line with the press release dated March 28, 2019, LISI AEROSPACE announces that it has definitively completed the sale of all the shares of its two subsidiaries, INDRAERO SIREN and LISI AEROSPACE CREUZET MAROC, whose main activities are sheet metal primary parts and assembly of aerostructures to a fund managed by QUANTUM CAPITAL PARTNERS.

QUANTUM CAPITAL PARTNERS aims to accelerate its development in aerospace by bringing together all its aerospace activities under the same brand Aviagroup Industries with the goal to generate operational synergies and targeting a critical size greater than € 100 million.

INDRAERO SIREN is located in Argenton sur Creuse and Déols where it employs 422 employees, LISI AEROSPACE CREUZET MAROC is based in Casablanca with 283 employees - the group achieved a turnover of 61 €M in 2018 based on significant positions at Airbus and Safran.

LISI AEROSPACE will consolidate its fasteners activities and continue to focus on complex primary parts derived from strategic technologies on which the group intends to develop, including forging, forming or extrusion.



TriMas Aerospace Awarded Two New Fastener Contracts at Paris Air Show

TriMas announced that TriMas Aerospace is expanding its global presence through the addition of multi-year contracts with two aerospace customers. At the 53rd International Paris Air Show, TriMas Aerospace was awarded new fastener supply contracts by Safran Nacelles of La Havre, France, and Sonaca Group of Gosselies, Belgium. Safran and Sonaca are also both new customers to TriMas Aerospace.

TriMas Aerospace designs, engineers and manufactures engineered fasteners, solid rivets, temporary fasteners and standard fasteners for the global commercial and military aerospace industry under the Monogram Aerospace Fasteners, Allfast Fastening Systems and Mac Fasteners brands.

The addition of these new customers supports the execution of TriMas Aerospace's growth strategy to expand its global customer base and market share in commercial and defense aerospace applications through leveraging a broad value proposition of innovative products, integration of customers' automated assembly processes, tailored logistics solutions and operational excellence.

TR Fastenings Passes HM Government's Cyber Essentials Audit



TR Fastenings (TR), the global specialist in the design, engineering, manufacture and distribution of industrial fasteners, has passed an audit by HM Government's Cyber Essentials scheme. The certification means that TR is now qualified to bid for Government and other sensitive contracts, given its high standard of base controls in cybersecurity.

In order for any supplier or business to be able to bid for Government contracts which involve handling sensitive and personal information they now require Cyber Essentials certification. This also applies to contracts involving the provision of certain technical products and services, which may be susceptible to cybersecurity risks.

According to the Cyber Essentials website, the scheme is 'designed to help UK organisations improve their defences and demonstrate publically their commitment to cybersecurity.' Passing the audit requires businesses to show that they conform to a set of 'baseline technical controls' and measures to prevent and manage issues such as:

- Hacking
- Phishing
- Password guessing

Although it was not necessary in order to pass the audit, TR appointed an independent auditing body to assess its cybersecurity standards and conduct extra tests, and TR is now planning to undertake further tests to qualify for the next level of certification, Cyber Essentials Plus. It hopes to achieve this by 2020.

Houston Wire & Cable Company Reports Results for the Quarter Ended June 30, 2019

Houston Wire & Cable Company (NASDAQ: HWCC) announced operating results for the second quarter ended June 30, 2019.

Selected quarterly results versus the second quarter of 2018 were:

- Sales of \$85.3 million, down 9.1%
- Gross margin of 24.1%, up 30 basis points
- Operating expense improved \$448 thousand
- Quarter end debt decreased \$7.0 million and average debt down \$8.2 million
- Net income of \$1.6 million, down 37%
- Fully diluted EPS of \$0.10, down \$0.06





Back Story of Japanese Osaka Forming's Business Revival in the 2008 Great Recession

The Japanese industrial newspaper, NIKKAN KOGYO SHIMBUN, posted a story in June of Osaka Forming's business revival. The company started off with pressed stainless steel parts. In 2008 its revenues took a heavy blow from the Great Recession. The founder a.k.a president at the time signaled its oldest son to scale down the business but was met with the son's strong objection pointing out the founder's instructions as a wrong decision.

The son had come to realize the company's disadvantage as an OEM, and the terrible position that the company might be entrapped in by doing business with clients in just a single region. He knew there would have been no future if he had scaled down the business just because the revenues shrank. He thought that if the company transformed into a manufacturer instead of an OEM, he could expand the market share. He put a bet on it and began the development of new types of nuts.

He knew a lot about computer programming. As soon as he joined company, he worked on developing a production management system. His thought of turning the company into a manufacturer came from the standpoint of business operator. He thought to give it a go for three years, and if it didn't work out, he would find another way out. The founder questioned if his thought was feasible, and how much it would cost. Despite these challenges ahead, the son kept pressing on. Through trials and errors he successfully developed the original "E-Lock" anti-loosening nut.

He followed up rolling out a series of products including hexagonal and flanged anti-loosening nuts that expanded the product line. The sales bounced back after this and doubled the revenues to finally rise above the pre-recession level. It was then that he realized it was uneasy to establish a team of his own in the presence of the founder.

As the founder reached 70, the son took the helm as the new president of Osaka Forming. He stressed that everything comes down to corporate system. He said quality drives the company to manufacture good products. No matter if the company is to establish brand awareness or whichever actions it takes, without an established system, it cannot motivate anyone. Even to this day he continues to try to figure out an ultimate corporate system.



Japanese Piolax to Expand the Plant in Georgia State (U.S.)

Piolax will expand the plant in Georgia State in January 2020 and will start checking automotive hose clamps and metal fasteners on its own. It will invest JPY 300 million in a land spanning 13 thousand square meters and a building of 3,000 square meters. The check that is currently outsourced will be transferred to this building. The company is likely to increase capacity and therefore it will consider adopting an automated production line. Labor costs in Georgia State are rising and Trump's trade policies are undermining the transparency in the business environment, so the company wants to harness the power of automation to establish a system that can reduce labor costs and increase capacity.

Back in 2018 when the trade war between the U.S. and China escalated, Piolax transferred partial manufacture of automotive components (made in Dongguan City of China and exported to the U.S.) to its plant in the U.S., so currently there is not enough space in the U.S. plant. In the future, the company will adopt automatic inspection equipment to avoid shortage of labor.



New Discovery from Japan on Dies Quality Inspection Implies Anyone Could Acquire the Sense of Touch of a Professional Dies Inspector

(Image source of Nikkan Kogyo Shimbun, Japan)

The uneven damaged surface of dies would affect the superficial distribution of lubricants and the quality of the final product, and therefore we need skilled dies artisans to check the surface. Some of these artisans are exceptionally proficient who can detect a concave surface depth of $3\mu\text{m}$ with their fingers, and only the "super artisans" can be up to that sense level. Additionally, the aging population of Japan means that the country is in shortage of such dies artisans.

T. Takei, an assistant teacher of Hirosaki University, discovered in his research that an average dies artisan can have a chance to turn into a super artisan by means of a small object. If you put the teeth of a resin coiled zipper on a die, press your finger on the teeth and move the teeth along the surface of the die, you might find your finger's touch more sensitive to the subtle concave and convex parts of the surface. An experiment found that this method would increase 10 times of sense of touch to a concave surface depth of $80\mu\text{m}$, and 2 times of that to a concave surface depth of $5\mu\text{m}$. Even for those with no experience of training, they could detect a concave surface depth of $5\mu\text{m}$ on a die through this method. As soon as they get the hang of that touch, they can much more easily detect surface mars of a die without the aid of the coiled zipper teeth.

The width of the coiled zipper teeth can be up to 1-3mm, and whichever the width between that range has been confirmed to improve the sense of touch. This method has been filed for a patent. In the future, the methods of measurement will be integrated to robotize the inspection of dies surface.



HONDA

Honda to Close Its Car Manufacturing Line in Argentina

After the previous successive announcements of closing its car manufacturing lines in the UK and Turkey this year, Honda once again made an announcement that it has planned to close its car manufacturing line in Argentina by 2020. Honda has launched the manufacturing line for cars and motorbikes in Campana, Argentina since 2006, but the car manufacturing line has now been planned to stop operation by 2020. According to Honda, this adjustment will not affect its car sales and aftersales service in South America. With this announcement being released, Honda will also officially stop manufacturing HR-V in Argentina.

Although industry insiders conjectured that the announcement was relevant to the result of Argentinean presidential primary, Honda responded that it made the adjustment only due to the change in the global automotive industry and without any other consideration. In addition, the manufacturing plant in Campana will not be fully closed, as it is planned to focus on manufacturing motorbikes after May 31st, 2020.



smart production line for high value added fasteners with an educational purpose. This educational production line incorporates unmanned delivery, high-speed threading, precision optical sorting and real-time monitoring systems, effectively reducing the demand for labor force and accelerating manufacturing efficiency at all times. The celebrating ceremony for this production line took place July 5th (local time 14:00) at Cheng Shiu University in Kaohsiung.

Taiwan Cheng Shiu University Introduces Ching Chan Equipment for High Value Added Fastener Research This July

Ching Chan Optical Technology Co., Ltd. (Ching Chan) has recently helped Taiwan Cheng Shiu University (CSU) establish a



Chen Nan Iron Wire to Penetrate into European High Value-added Fastener Market After Receiving ETA Certification

After being certified by ETA in Europe last November, Chen Nan Iron Wire is going to have its products available for sale on the European market, adding a new option for the local construction fasteners market. Chen Nan has been always focusing on manufacturing high quality products with a conscientious attitude, while its subsidiary takes the responsibility for sales, which has made the company recognized by several buyers from around the world as well.

Chen Nan's main businesses include manufacturing and export of wire, screws, nuts, and standard/special washers. It has plants for wire, screws, heat treatment and packaging, with the annual capacity of up to 60,000 tons of wire and 30,000 tons of screws, which are mainly sold to Europe, America, the Middle East, Asia Pacific, Africa, etc.

Taiwanese JYR Aviation to Invest NTD 500 Million in a New Plant

As one of the top 10 fastener companies in Taiwan, Jau Yeou Industry has extended its reach to the aerospace industry with the founding of JYR Aviation. JYR Aviation will invest NTD 500 million to build a new aerospace technological park in Luzhu District of Kaohsiung City to gain new international clients and tap into the supply chain of jumbo jets. The investment is expected to create 270 new jobs in Taiwan.



The Investment Unit of Ministry of Economic Affairs (Taiwan) said JYR Aviation is the first Taiwanese company to have acquired two aerospace quality grade certificates: AS9120 (for aerospace logistics) and AS9100 (for aerospace manufacturing quality management system). JYR Aviation has been authorized by a global commercial aircraft engine company to provide manufacturing and sales in Asia Pacific. JYR Aviation created a new business model for Taiwan's aerospace industry and now becomes an indispensable part in the supply chain of international aerospace supply chain.



Ofco's Sales to the U.S. Increases by 40%

With more than three decades of experience in R&D and capabilities of manufacturing high yield-rate products, OFCO Industrial Co., Ltd. enjoys the cost of advantages due to resource integration with Taiwan Steel Group and offers competitive prices to customers. It is reported that the sales of OFCO to the U.S. increased from 10% to 40% and its revenue reached NTD 0.103 billion in July (up 2% from June this year, but down 0.92% from the same period last year). The proportion of its revenue generated from sales to the U.S. increased significantly. On the other hand, benefiting from the steadily increasing orders from its U.S. buyers, which to some extent offset the impact from the increasing competition of Chinese suppliers in the European market, OFCO is very likely to report a revenue growth in the 2nd half of 2019. According to Ofco, the demand for high added value fasteners in the EU member states continues to grow gradually and its orders from this market have been arranged until the beginning of 2020. According to OFCO, the structure of global bolts demand is changing, so it will continue to promote high-end products to the European market and increase the proportion of these products, and it will also continue to develop new customers in the U.S. market.



Zhejiang Mingtai Standard Component (China) Plans to Go Public

Zhejiang Mingtai Standard Component Co., Ltd. has had 30 years of history since its inception. It is



the top fastener company in Wenzhou City of China, awarded as "one of top ten quality fastener brands" and "an exemplary fastener enterprise recognized for specialty and precision". It went from the manufacture of standard bike parts to scooter parts and then automotive parts. In the course of the past 3 decades, it undertook the "manufacture of high-strength automotive aluminum alloy bolts" as part of the national technical upgrade project.

Mingtai makes immense investments in product development. In recent years it used 8% of its annual revenues on product development to ensure its product advantage. At the present, it is a supplier to many automakers such as local joint ventures between China and Volkswagen, Cummins, Toyota, and Honda. These automakers use Mingtai's fasteners in replacement of their imports.

2019 is a critical year for Mingtai. As a Wenzhou enterprise planning to go public, Mingtai is planning to optimize its equity structure and strengthen R&D capability. To help Mingtai go public, the taxation office put up a team of experts to help the company solve problems in the process and provide instructions on acquiring preferential tax benefits.

Acquisitions

Auveco Acquires W&E Sales Company

Auveco (the "Company"), the largest purveyor of specialty fasteners and body hardware used in the automotive aftermarket, announces the acquisition of W&E Sales Company ("W&E"), headquartered in Newark, New Jersey. W&E is a provider of autobody fasteners and specialty hand tools to the automotive aftermarket.

Auveco has grown in recent years, most recently through the June 2018 acquisition of Marli Manufacturing, a provider of automotive aftermarket mechanical components, including engine head bolts, intake manifold bolts, oil drain plugs, oil drain gaskets and other specialty fasteners and fittings. As with Marli, this acquisition brings new resources for W&E as a part of Auveco.



Key benefits to Auveco and W&E distribution partners from the acquisition:

Augmented product offerings and innovation: Broader product selection and accelerated new product innovation, allowing distributors to meet the ever-changing needs of their end-users.

Outstanding service and support: Industry-leading customer service, robust online tools, and technical support to current and future channel partners.

Further growth and expansion. The Company continues to invest in growth to enhance the value proposition to our customers by adding new product lines, technology, and resources to best support our customers.

The transaction was effective as of June 27, 2019.

Both Auveco and W&E will continue to function as they have been and support their respective customers with their existing products and services. Longer term, plans will be developed to better integrate the offering of the two companies and leverage each other's strengths.

Volkswagen and Mercedes-Benz in China Recall a Portion of Defected Cars for Using Disqualified Rivets and Nuts

FAW-Volkswagen Automotive and Mercedes-Benz (China) filed a defected car recall plan recently. FAW-Volkswagen decided to announce a recall of a portion of imported Audi A8L models manufactured between September 26, 2018 to February 13, 2019, immediately effective. A total of 200 cars are involved. The cars within the range of recall are involved because of suppliers' incorrect production parameters and erroneous craft that cause the rivets on the rails of front passenger seat to have a head size incompatible to the requirement of Audi.



Mercedes-Benz (China) announced a recall of a portion of imported C class and CLS class cars manufactured on December 6 to 18, 2018, immediately effective. The cars within the range of recall are involved because of possible mixed installation with bolts on the oil tube and air tubes.

Shanghai Prime Machinery's 2019 Mid-term Profits Drop 38%

Shanghai Prime Machinery Company Limited reported 6-month profits attributable to shareholders at RMB 114.7 million ended on June 30 this year, down 38.4% and therefore there would be no dividend payout.



In the first half of 2019, the European and Chinese automotive market weakened, the demand from China's thermal power plants declined, the trade condition between the U.S. and China was unclear, and the overall industrial production was slowing down. In this backdrop, the Company's income in the first half of 2019 dropped 4.9% to RMB 4,485 million from the previous period mainly due to the decreased income from the fastener business. The overall gross profit margin was relatively stable between the first halves of 2019 (at 19.3%) and 2018. The total operating expense was RMB 711 million. Compared to the first half of 2018, sales and distribution expense were down 10.8% and administrative expense was up 8.0%.

EBITDA in the first half of 2019 was RMB 318 million. Compared to the first half of 2018, the profits attributable to the owners of the Company dropped 38.4% to RMB 115 million in the same period of 2019.