Compiled by Fastener World

American News

Tariffs On Chinese Fasteners To Continue

U.S. President Joe Biden intends to keep import tariffs on China in place early in his presidency, saying the U.S. needs more leverage against "abusive" trade practices, MarketWatch reports. "I'm not going to make any immediate moves, and the same applies to the tariffs," Biden told New York Times columnist Thomas Friedman. "I'm not going to prejudice my options." Biden said he will try to build an allied front against China's unfair trade practices, while also trying to improve diplomatic ties with China by toning down the harsh rhetoric used by former President Donald Trump.

Analysts say that by teaming up with Europe and keeping the Trump tariffs in place, Biden will retain leverage over China, mute Congressional criticism and bolster public support. Trump began imposing import tariffs on Chinese products in 2018, leading to double-digit tariffs on $370 billion in Chinese goods that set off the biggest U.S. trade war in decades. The tariffs include 25% duties on bolts, screws and other fasteners (HTS subheadings 7318.11.00 to 7318.29.00) manufactured in China and 15% on all Chinese iron and steel nuts (HTS subheading 7318.16.00). The tariffs were issued under Section 301 of the Trade Act of 1974, which allows the White House to fight foreign trade policy it deems "unreasonable or discriminatory and burdens or restricts United States commerce."

In September, the World Trade Organization (WTO) ruled that Trump's tariffs on more than $400 billion in Chinese goods violate international trade regulations. "While Trump insists China is bearing the costs of the tariffs, every major study has shown that it's American customers who are paying the price," MarketWatch reports. While the 301 tariffs will remain in place for now, a Biden administration could "reduce or suspend import tariffs on steel and aluminum that Trump imposed on a number of countries aside from China on national-security grounds," according to MarketWatch. Those 232 tariffs hiked costs on industrial products and consumer goods such as autos and appliances.

During a 2019 International Fastener Expo conference, attorney Richard Wortman said 301 tariffs were likely to linger even if a new president was elected in the U.S. The tariffs have become federal government income without being called a "tax," he noted. "It is going to take a while for tariffs to go away."

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, nonthreaded articles similar to rivets, cotters, cotter pins, washers and spring washers

Sachs: 'Perfect Storm' Creates Container Shortage

"The cost of the containers have increased dramatically over the past 12 months," Bob Sachs of XL Screw said. The shortage is due to a "perfect storm" created by a list of reasons for container shortage.

"The steamship lines are really taking advantage of the situation and they are reportedly making record profits," Sachs said. "They are very happy." Reasons for the container shortage include "empty containers sitting all over the world waiting to be shipped back to the Far East. Not enough cargo to be shipped back to the Far East," Sachs explained. "This creates a lack of container availability to ship back to the USA."

The pandemic also contributes to the container shortage: "Because business slowed down so dramatically last year, I heard that the companies that make new shipping containers cut way back on their new production," Sachs noted. "Now they can't keep up with the demand." Demand for container space had increased toward the end of 2019 with the economies of the world doing well, Sachs pointed out. "Companies needed to replenish their inventories due to improvement of the demand for product worldwide."

PPE products are especially in demand now and "governments are paying a hefty price to the steamship lines to move the PPE cargo."Sachs termed giving PPE cargo priority "understandable."

Sachs' fourth reason for the container shortage is steamship lines "cutting way back on their vessel sailings to create a demand on container space thus taking advantage of the situation and being able to raise their prices." "Shipping costs change daily," Sachs finds. Also the Chinese New Year "always creates a push for available container space," Sachs added.

Sachs observed "there are so many ships sitting outside the USA West Coast Ports waiting to unload their cargo. This is creating long delays."

All of those reasons combined have "created the Perfect Storm!" Sachs declared.

When will the container situation ease? "I have no idea when container availability will improve and when shipping costs will stabilize," Sachs explained. "There are so many factors created by the Pandemic. These are very unusual times with many unanswered questions." "In the past, shortage of container space and large increases in shipping costs typically come and go pretty quickly," Sachs has found. "I am afraid to say...not this time due to the uncertainty of the Pandemic and the trade war with China. You just need to come up to the plate and keep swinging."

Stanley Black & Decker

Acquisitions Boost SWK Fastening Sales

Stanley Black & Decker reported Engineered Fastening organic revenues dropped by 2% in the final quarter of 2020 "as strong automotive fastener growth was offset by an improved, but still declining, general industrial market." Those results were offset by an 11% revenue increase from the $1.5 billion acquisition of Consolidated Aerospace Manufacturing LLC (CAM).

Brea, CA-based CAM, which manufactures aerospace fasteners and components, was launched by Tinicum in 2012 as a holding company for eight manufacturing firms active in aerospace component sector. Among CAM's holdings are Bristol Industries, E.A. Patten, Aerofit, Voss Industries, 3V Fasteners, QRP and Moeller.

Q4 Industrial segment revenue, including fasteners, grew 10% to $658 million, with profit rising 14.4% to $88.9 million at a rate of 13.5%. Full-year Industrial segment revenue, including fasteners, declined 3.4% to $2.35 billion, while profit fell 32.5% to $225.6 million at a rate of 9.6%. Consolidated Black & Decker revenue rose 1% to $14.53 billion. Full-year net earnings gained 29% to $1.23 billion.

Dyson Opens New Manufacturing & Distribution Location in Texas

Dyson Corporation, Painesville, OH, USA, is proud to announce the opening of its newest location in Houston, TX, USA, as of January 2021. This modern facility is the manufacturing location for foundation anchoring products to support the growing wind energy market in the southwest.

FINdex: Fastenal Sees Highest Share Growth in 2020

The FIN Fastener Stock Index capped a tumultuous 2020 with a double-digit gain in a year that saw global economies grappling with COVID-19. The FINdex increased 10% during the year, lower than the 12.8% rise in stock value by an index of related industrial stocks.

Fastener companies with rising share value in 2020 include Dorman Products, Fastenal, Grainger, ITW, Howmet Aerospace, MSC Industrial, Simpson Mfg., Stanley Black & Decker, Tree Island Steel and TriMas.

Fastenal achieved the highest stock gain, rising 32.1% during the year. Fastenal reported the decline in fastener sales that began in March due to the pandemic which continued to slow in November, with sales down only 1.7% compared to an 6.9% decrease in the third quarter of 2020. Overall sales at Fastenal increased 6.8% to $441.03 million in November, while daily sales totaled $22.05 million during the month.

During the third quarter, Fastenal fastener daily sales fell 6.9% to $431.05 million (30.5% of total sales), including a 6.1% decline in September. Overall Q3 sales increased 2.5% to $1.41 billion, with gross profit down 1.6% to $640.6 million and net earnings rising 3.7% to $221.5 million.

Other fastener companies with share gains in 2020 included Dorman Products (up 14.6%); Grainger (up 20.6%); ITW (up 13.5%); MSC Industrial (up 7.5%); Simpson Mfg. (up 16.5%); Stanley Black & Decker (up 7.7%); Tree Island Steel (up 25.7%); and TriMas (up 0.8%).

Fastener stocks losing value during 2020 included Carpenter Technology (down 41.5%); Chicago Rivet (down 11.3%); EACO - Disco Industries (down 15.8%); Lawson Products (down 2.2%); Nucor (down 5.4%); and Park Ohio (down 8.1%).

In the third quarter, the FINdex gaining a modest 13.2% after rising 26.7% in the second quarter and falling 30.3% in the first quarter. During the first six months of 2020, the FINdex lost 11.5% of its value, compared to a 7.1% decline by an index of related industrial stocks. Carpenter Technology saw its share value decline 54% during the period.

During 2019, the FINdex gained 33.7%, besting a 24.4% increase by an index of related industrial stocks. Bisco Industries achieved the highest percentage gain, improving 84% during the year.

ÇETIN CIVATA Distributed by TATA INTERNATIONAL

»» Cetin Civata and Tata International Partner to Enter the USA Fastener Market

Cetin Civata and Tata International have partnered up to jointly develop the USA fastener market. Cetin Civata, as one of Turkey's leading fastener manufacturers, opened its newest cold heading operation in 1976, producing fasteners for the domestic European market. Through a continued focus on investment and optimization, Cetin's business continued to grow rapidly. Today nearly 50% of the fasteners produced at its Istanbul, Turkey, facilities are exported, primarily to western Europe and Germany. Cetin Civata produces a wide array of cold headed fasteners for the automotive industry, construction, OEM and industrial distribution sector. With over 800 employees staffing its four vertically integrated operations, Cetin Civata possesses the capacity and technical ability to produce a wide variety of standard and special fasteners. Tata International is a globally operating trading and distribution company. The Metals Division trades and distributes steel and steel-related products through a network of 30 offices. In this partnership, Tata International Metal Americas, with its headquarters in Schaumburg, IL, USA, takes on the fastener's sales and marketing for the Americas. Tata International combines its global reach and market development experience with Cetin Civata's cold-heading manufacturing excellence. ■

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