



Fastener World News

compiled by Fastener World

- Industry Update -

World Steel Association Predicts Global Steel Demand to Grow 5.8%

World Steel Association (WSA) predicts that the global steel demand will increase by 5.8% to 1.874 billion tons in 2021 and go up 2.7% to 1.924 billion tons in 2022. Vaccinations in many countries worldwide have helped slow down the pandemic. Although some economic measures imposed by certain countries have taken effect, advanced countries are still expected to spend several years to recover to the pre-pandemic level.

On China alone, its local steel demand is expected to increase by 3% to 1.024 billion tons in 2021 and go up 1% to 1.035 billion tons in 2022. The effect of local market stimulus is waning, so the growth margin is on a downward trend. On the other hand, the steel demand in advanced countries is expected to increase by 8.2% to 371 million tons in 2021 and go up 4.2% to 386 million tons in 2022.

Indonesia Seeks Collaboration with Foreign Investors to Establish Its Own EV Supply Chain

Indonesia has been devoted to developing a complete EV supply chain these years. The country seeks to collaborate with American, Japanese, South Korean and Chinese investors and sets goals to make 20% of cars produced in Indonesia be electric by 2025 and become a global EV and EV battery manufacturing hub. Indonesia Investment Coordinating Board announced LG Energy Solution will invest USD 9.8 billion to work with an EV battery group of 4 Indonesian companies (PLN, Pertamina, Aneka Tambang and MIND ID) to form a complete EV battery supply chain.

Battery production is the key to EV industrial development. Indonesia is rich in materials including cobalt, nickel, manganese and other rare metals that allow for establishing a price-competitive EV industry. Joko Widodo (President of Indonesia) has set goals for the nation to start producing EVs in 2022, make the proportion of components used in any EV produced in Indonesia reach at least 35% by 2023, and make EV account for 20% of all Indonesian car production by 2025.



Taiwan CSC Announced Q2 Domestic Sales Prices with an Average Increase of 8.3%

Taiwan CSC held a meeting on March 12th to discuss the domestic sales prices of steel products for the 2nd quarter of 2021. The meeting closed with the decision to increase the price of wire rods by NTD 2,000 per ton and increase the price of automotive materials by NTD 2,800 per ton. According to Taiwan CSC, considering the price adjustment for Q1 this year, which was not sufficient enough to cover their raw material costs, the significant difference between their prices and their competitors', and the cost fluctuations in Q2, they have decided to increase the prices of relevant steel products for Q2 with an average price increase of 8.3%.



- Companies Development -



Tong Ming to Achieve "10,000 Clients" and All-time Shipment Record This Year

Chinese stainless steel fastener distributor Tong Ming Enterprise said on April 14 that its number of clients will increase by more than 25% to over 10 thousand companies. The monthly shipment is expected to keep at around 10 thousand tons and the annual shipment at an all-time high of 100-200 thousand tons. Despite the pandemic last year, the company benefits from increased demand in infrastructure, railway transportation, and automated equipment for intelligent manufacturing, and sees its Q1 shipment at above 10 thousand tons.

Tong Ming's clients increased from 5,000 to 8,000 companies and could continue this growth to breach 10 thousand companies. The company does not have enough capacity now as a result of a growing number of clients and stainless steel fastener applications. It expects to add 100 thousand tons to its capacity within 3 to 5 years.





The LISI Group Achieved Sales of € 309.4 Million in Q1 2021

Sales for Q1 2021 are down 22.2 % compared to the same period of the previous fiscal year.

The global COVID-19 pandemic has further weighed on the Group's activity in varying proportions depending on the divisions:

- LISI AEROSPACE : - 38.5 %, the "Fasteners" business, which had benefited from a good level of sales in Q1 2020, is the most severely affected
- LISI AUTOMOTIVE : + 2.9 %, in line with the positive trend observed since the second half of 2020
- LISI MEDICAL : - 15.1 %, although sales are down, the outlook benefited from well oriented business

LISI Aerospace Signs an Extension of Contract with the Boeing Company

LISI AEROSPACE, a division of the LISI Group, has entered into an agreement with the Boeing company to extend its current contract. LISI AEROSPACE is delighted with this contract extension so that the aerospace market is preparing for a return to growth after the market downturn in 2020. Within the framework of this contract, LISI AEROSPACE will continue to supply in support of all Boeing commercial programs (737, 747, 767, 777 and 787). LISI AEROSPACE is a global supplier of assembly solutions, as well as engine components and structure for aircraft.

Airbus and Malaysia Airlines Extend Widebody FHS Contract

Airbus and Malaysia Airlines have signed an extension of their Flight Hour Services Components (FHS-C) contract for the carrier's A330 and A350 fleets, as an outcome from Malaysia Airlines' recently completed restructuring exercise. The agreement was signed in Kuala Lumpur by Malaysia Airlines Chief Operations Officer Ahmad Luqman Mohd Azmi and Airbus President Asia-Pacific Anand Stanley.

The multi-year extension covers technical support by Airbus for the airline's existing widebody fleet of A350s, A330s, as well as A330-200Fs operated by MASKargo. FHS-C provides component services including spare pool access, on-site-stock at the main base as well as components engineering and repairs. Through FHS-C, Airbus guarantees parts availability and secure aircraft technical performance thanks to high quality standards and component engineering.

"We are pleased to extend our partnership with Airbus and trust the brand to provide the vital technical support for our widebody fleet. As we move forward as an airline and share our Malaysian Hospitality worldwide, the Airbus aircraft we fly will become a symbol of reliability and consistency," said Malaysia Airlines Chief Operations Officer Ahmad Luqman Mohd Azmi.

"We are pleased to continue our close relationship with Malaysia Airlines with the extension of this FHS agreement. Especially in these challenging times, Airbus strives to provide the highest quality, value-added and tailor-made solutions to our airline partners to support them and enhance the daily operations of their fleet," added Anand Stanley, President Airbus Asia-Pacific.





Chun Yu and QST Mark Double-digit Growth in March 2021

The wire rod giant Chun Yu reports its March unaudited revenue at NTD 912 million (up 20.89%) which is slightly lower than the highest record of NTD 915 million last December. The consolidated Q1 revenue is NTD 2.317 billion, up 19.63%.

Chun Yu says vibrant fastener demand is driving the momentum for the domestic construction fastener market. Thanks to better epidemic control in Taiwan and undisrupted domestic production and transport, overseas clients are willing to place orders for fasteners as well as wire rods to Chun Yu, thereby increasing shipment and unit price.



Quality • Service • Teamwork

Automotive fastener company QST International reports its March revenue at NTD 910 million, the highest record over the last 5 months, up 42.16% from NTD 640 million last March. This indicates post-pandemic recovery of global automakers are driving a steady increase in orders to QST and that the company is walking out of depression. The positive outlook is expected to remain throughout this year.

Italian Growermetal Receives Quality Certification EN 9100

Italian Growermetal is very pleased to announce that it has also achieved quality system certification according to the EN 9100:2018 standard for the aerospace industry. EN 9100 has been developed by the International Aerospace Quality Group (IAQG), which established a quality management system controlled directly by the aerospace industry itself.

Growermetal, thanks to the achievement of this certification has the great opportunity to be included in the Online Aerospace Supplier Information System (OASIS) database, from which the most important players of this industry can select their suppliers.



China Spacesat Provides Titanium Alloy Fasteners for Spacecraft

China Spacesat released a financial report for 2020 which shows the operating income at RMB 7.007 billion (up 8.42%), total profit at RMB 477 million (up 14.92%), net profit attributable to shareholders at RMB 354 million (up 5.34%), and EPS at RMB 0.3.

The company specializes in aerospace manufacturing and satellite applications. It has R&D and manufacturing bases in Beijing, Shenzhen, Xi'an and other places, and is capable of developing critical systems and core components. In aerospace manufacturing, it provides navigation receivers and fasteners for spacecraft, including aerospace fasteners made of titanium alloy, high-temperature alloy, aluminum alloy and steel. It can also provide inspection, heat treatment and surface treatment. In satellite applications, the company focuses on satellite communication, navigation and remote sensing. The company has had 263 patents and has 2,983 people in charge of R&D and technology management who account for 73.17% of all employees.



Jay-Cee Sales and Rivet Inc. Achieves Coveted ISO 9001:2015

Jay-Cee Sales and Rivet Inc., a Master Distributor of Rivets and other threaded fasteners, announced that it has been approved for and issued a Certificate of Registration for ISO 9001:2015.

The International Organization for Standardization (ISO) maintains the ISO 9001:2015 certification for quality management and quality assurance. To achieve the certification, an organization needs to demonstrate its ability to consistently provide products and services that meet customer and applicable statutory and regulatory requirements. The certification aims to enhance customer satisfaction through the effective application of the system, including processes for improvement of the system and the assurance of conformity to customer and applicable statutory and regulatory requirements.

“We are very proud of this achievement,” says Greg Weitzman, Vice President of Jay-Cee Sales & Rivet, Inc. “The certification verifies the quality of our products and shows our dedication and commitment to our customers.”

Jay-Cee Sales and Rivet Inc. a family owned business since 1948 is a Master Distributor of Rivets and other threaded fasteners to many different industries including automotive, medical, and aerospace just to name a few.



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Taiwanese NAFCO Expects an Upturn in H2 as the Pandemic Slows

Taiwanese aerospace fastener manufacturer NAFCO took a big blow from the COVID pandemic and lost 80% of its profit last year. Looking ahead, NAFCO says as its aerospace clients still have some inventory to be consumed and the demand for automotive fasteners continues to rise, the whole business is still working hard on laying its foundation. However, the company expects vaccine passports and travel bubbles to be gradually in place to rejuvenate sales in the second quarter. NAFCO's net profit last year was NTD 60 million, down 82.9% with the EPS at NTD1.14. As countries embark on massive vaccination and are successively pushing for vaccine passports and travel bubbles, the market is on the lookout for aerospace recovery.

NAFCO mainly supplies engine fasteners and other machined parts to primary clients such as GE and Rolls-Royce. The company says it doesn't sense an apparent upturn in purchase orders. The market situation may not be clear until mid-2021.

Despite a far cry from aerospace recovery, it is worth noting that NAFCO's industrial business segment sees an increase in demand. The company supplies fasteners mainly for the American and European automakers, but it also taps into lightweight fasteners for new energy vehicles. Thanks to the upturn in the American and European car markets and increased demand, the business segment's revenue proportion has risen to 20%-30% from the pre-pandemic 10%.



BYD Auto into the Top 3 of 2020 Global EV Sales

2020 kicked off a global race of electric vehicle (EVs) sales. Statistics by EV-volumes, a Sweden EV research institute, show a total global sales of 3.24 million EVs for 2020, up a whopping 43% from 2.26 million EVs recorded in 2019. In brand ranking, Tesla topped the chart at 499.6 thousand EVs and Volkswagen came in second at 220.2 thousand EVs, followed by Chinese EV giant BYD Auto at 179.2 thousand EVs.

In country ranking, China topped the chart at 1.3 million EVs, followed by Germany at 400 thousand EVs and the U.S. at 300 thousand EVs. France and UK both ranked 4th at 200 thousand EVs.



KPF Acquires Japan's Ministry of Land, Infrastructure and Transport's Ministerial Certification

KPF announced on February 23rd, 2021 that it has completed the final acquisition of the ministerial certification for its high-power bolts from the Ministry of Land, Infrastructure, and Transport of Japan. KPF has proven expertise for fasteners and parts for construction, heavy equipment, and petrochemical plant since 1963. With advanced technology and experiences for forging, KPF entered the automotive part market. KPF also operates global affiliates in Vietnam and China.

- Acquisitions -

Novaria Group Announces Acquisition of the Young Engineers, Inc.

Novaria is pleased to announce the acquisition of The Young Engineers, Inc. (TYE). TYE is an expert in the design and manufacturing of aircraft and aerospace hardware, with a primary focus on fasteners and inserts. The terms of the deal were not disclosed. This acquisition continues Novaria's expansion into aerospace fasteners. "We have made several acquisitions since April 2020, all of which are unique contributors to our evolving business model," said Novaria CEO Bryan Perkins. "The acquisition of TYE is an integral part of our strategy to expand our portfolio of proprietary and qualified products we offer customers." TYE operations will continue at its Southern California facility with its tenured, skilled employees, including former owner and president Pat Wells.



- Associations -

BIAFD: No Let-up in Freight and Steel Cost Pressures

"It's every bit as bad as it was". Grimly taciturn but typifying responses to the BIAFD's latest check with members on fastener cost and availability pressures, emanating from the ongoing sea freight crisis and escalating metals costs. The common theme running through global Purchasing Managers Index reports for February was the sledgehammer impact on manufacturing of rising costs driven by supply chain disruption and raw material shortages. As a vital supply-chain to UK and Irish manufacturing and construction industries, members of the British & Irish Association of Fastener Distributors confirm these pressures are at unprecedented levels - and that they show no signs of easing in the foreseeable future.

Any hope of improvement in sea-container freight rates and availability, once the Chinese New Year holidays were behind us, has rapidly been dashed, according to BIAFD members. As February closed, the hope was the holiday respite in Asian shipments might allow recovery of containers to key export ports. However, there is no evidence of improvement on the ground. Cargo is piling up in Asian ports and any capacity gains will be rapidly eroded as global demand continues to surge. One thing is sure, there is no let-up in container freight rates, which BIAFD members continue to report as five to six times higher than a year ago. Importers are facing 'all up' costs of up to £6000 for a 20DC container shipped from Asia to the UK. Depending on the product involved that can equate to as much as a third of the value of the box contents. If anything, rates look set to harden as shipping lines apply \$500 seasonal surcharges early and seek to recover increasing fuel costs.

With replacement inventory urgently needed to meet buoyant demand across many sectors, plus freight industry warnings of little better than 50/50 chances of containers sailing on schedule, importers are having to 'bite the bullet' and pay exorbitant rates to try to ensure earliest possible arrival. While Mainland China is at centre of shipment unreliability and escalating costs, BIAFD members report Taiwan being little better and arranging bookings from Vietnam 'extremely difficult'.



The outlook? With a massive backlog of all types of sea-going cargo, continued major congestion in global ports, and surging demand as economies recover from Covid-19, freight agents are warning importers not to expect any improvements until at least June and most likely well into Quarter Three.

BIAFD members have always invested heavily in inventory to smooth out the impact of the inevitable headwinds that beset long-range importing. However, these are not headwinds: overworked as the expression often is, 'perfect storm' really is an apt description right now.

There are unavoidable realities for fastener consumers in all sectors. Shortages are now appearing for particular, in some cases high demand, sizes of nuts, bolts or screws. The levels of freight cost inflation simply cannot be absorbed and is now having to be passed on as substantial cost increases, with more inevitably to follow.

The inflationary pressure from freight is further compounded by radical cost increases in steel and other key fastener manufacturing materials, including nickel, a major value element in stainless-steel fasteners. Carbon steel wire costs have escalated by more than twenty percent, with increases of ten percent or more already notified for Quarter Two. The picture is not unique to fasteners, as any steel buyer knows right now. Capacity is constrained and steel inputs, such as iron ore, are holding at historically high cost levels. Nickel market prices have escalated by more than forty percent year on year - driving sharp cost increases in wire for stainless steel fastener manufacturers. Equally concerning, wire lead-times are continuing to extend, with factories reporting real difficulty in sourcing all the material they need.

Whatever and whenever the eventual improvement in container availability, freight rates and material costs, it is clear they will not subside to anywhere near the levels enjoyed in previous years. Fastener importers and distributors have no choice to commit to the current extraordinary cost levels if they are to stand any chance of fulfilling their core role of providing supply continuity for industry and construction. With lead times upwards - in some cases beyond 30 weeks - those commitments are set to impact fastener costs in the UK and Irish fastener markets, indeed fastener markets throughout Europe, for the rest of 2021.



HAI Welcomes New President

HAI is pleased to welcome Michael O'Donohoe, Country Director at Wavin Ireland, as its new President for 2021-2022. Well-known and respected in the industry, Michael has been on the board of HAI since early 2017 and he has been Country Director of Wavin for the last six years. Prior to joining Wavin, Michael worked for nearly 20 years in various sales and marketing roles in various sectors.

Aside from his role in HAI, Michael has other links to the construction sector through his chair of both the Building Materials Federation and the Irish Plastic Pipe Manufacturers Association, as well as membership of the Construction Industry Council. Michael has a B.Sc. in Applied Sciences from Trinity College, an M.Sc. in Executive Leadership from the University of Ulster and is also a member of both the Marketing Institute of Ireland and the Institute of Directors.

