

Industrial Fastener

Challenges and Opportunities in the Post-Pandemic World



Introduction

The global industrial fasteners market is projected to witness a CAGR of 5.1% to reach US\$ 168.7 billion by the end of 2032. In 2021, the market size was valued at USD 92.16 billion and it's expected to grow further to reach USD 102.8 billion by the end of 2022. North America holds about 20.5% (USD 21 the billion), Europe holds about 27% (USD 27.6 billion) and China holds about 15% (USD 15.4 billion) of the global fastener market.

The market is mainly driven by the growing demand from diverse industries such as construction, automotive, marine and aerospace. The growing production of machinery and components, motor vehicles, and other durable goods due to the economic expansion of different countries is expected to further support the market growth and increase the penetration of industrial fasteners in the coming years.

The global COVID-19 pandemic has been extraordinary and shocking, with products suffering lower-than-anticipated demand across all regions compared to pre-pandemic levels. The global market demand showed a drop of more than 6.7% in 2020 as compared to 2019. The interruption and closure of industrial operations, to control the impact of pandemic across the globe, severely affected the product demand in 2020.

The pandemic has significantly hindered the growth of the automotive industry across the world, with disruptions in supply chain activities, interruptions in large-scale manufacturing, and restrictions on travel. The pandemic also significantly impacted the construction sector, which is sensitive to economic cycles. However, both automotive and construction sectors, as major contributors to the growth of the industrial fasteners market, have shown steady and strong restoration since early 2022. However, an increase in the substitution of metal fasteners for adhesives and tapes in bonding and Noise Vibration & Harshness (NVH) applications, mainly in the automotive industry, is expected to hamper the market growth.



Post-Pandemic Challenges

The COVID-19 pandemic introduced unprecedented challenges for everyone and with no doubt it has had a substantial impact on fastener manufacturers and production downtime. It's also apparent that there has been an amplified pressure to improve overall efficiency as a natural response to the global pandemic. In terms of manufacturing, there have been key efficiency challenges during the pandemic that constantly stood out amongst the rest and those challenges still exist in the post-pandemic era.

The first and most important challenge is in the supply chain. It was a nightmare for manufacturers more specifically during the first year of the pandemic to deal with this problem. **Challenges are mostly about delayed deliveries which have disrupted production plans and limited availability of resources** which required manufacturers to even swing production lines. This challenge could still last in the post-pandemic era, if manufacturers do not seek supplier diversification. This is an obligation for fastener manufacturers in the post pandemic era to avoid order fulfilment issues.

It was never easy to find employees with the right skills and credentials for a manufacturing environment, and the pandemic made things worse than ever. Many businesses had to let their employees go during the pandemic. Now, in the post pandemic era, manufacturers have to find labours and skilled talents as their operations are getting back to normal. This is a very challenging task for fastener manufacturers as many job seekers especially specialists and technical experts are now looking more for work-from-home positions. They do not want to worry about their health and safety working in large manufacturing plants.

In summary, sourcing and procurement, operational changes and recruitment are main challenges that fastener manufacturers are faced with in the post-pandemic era. Apparently, there is no single solution to address all those challenges, but **Go Digital (i.e. Digital Transformation) would be one of the best solutions for fastener manufacturers, traders and players in the market to be more agile in order to repurpose and/or reinvent their operations based on immediate and actual needs.**

Adapting to the Post-Pandemic Era and New Opportunities

As stated above, to meet the challenges posed by the pandemic, fastener manufacturers and traders around the world had to respond in agile and decisive ways. Moving into the next phase, now it is the time for businesses to look for and grab the opportunities emerging in the post-pandemic era.

The use of online technology, especially for fastener retailers, has taken a leap forward. Using disruptive technologies in operation, production and logistics brings more business opportunities for the manufacturers. The rapid advancement in technology leads to the production of newer and more durable fasteners. Additionally, the pandemic has prompted a search for new markets more than ever. This has stimulated competition and the motivation to adopt cost-effective technologies.

In the post-pandemic era, fastener manufacturers should pay closer attention to these trends and align their business and technology strategies accordingly to maximize their operational execution and resiliency.

Last but not least, the lesson learned from the COVID-19 pandemic has increased the global focus on sustainability more than before. Growing recognition of the environment and the need for conservation of natural resources have brought sustainability practices mainstream for both consumers and organizations in the fastener market. Customers and prospective employees alike want insight into what sustainable practices companies are pursuing. These practices also help reduce packaging and energy costs and can improve profits. Based on analyses, sustainability approaches can increase customer loyalty and bring more revenue gains in the post-pandemic era. ■

Sources:

Industrial Fasteners Market Size, Share & COVID-19 Impact Analysis, by Fortune Business Insights
Top 10 Manufacturing Trends in the Post-Pandemic Era, by Market Scale

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