



中國緊固工具市場概況分析

# Overview of China's Fastening Tools Market

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In this article, we will study the trade statistics of fastening tools in China based on the following HS Codes.

- **HS code 8205:** Hand tools, incl. glaziers' diamonds, of base metal, n.e.s.; blowlamps and the like; vices, clamps and the like (other than accessories for and parts of, machine tools); anvils; portable forges; hand-operated or pedal-operated grinding wheels with frameworks.
- **HS Code 8207:** Tools, interchangeable, for hand tools, whether or not power-operated, or for machine tools "e.g. for pressing, stamping, punching, tapping, threading, drilling, boring, broaching, milling, turning or screw driving", incl. dies for drawing or extruding metal, and rock-drilling or earth-boring tools.

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## Export

The export value of China in these two categories is over 6.2 billion USD. China is one of the main suppliers of fastening tooling in the world.

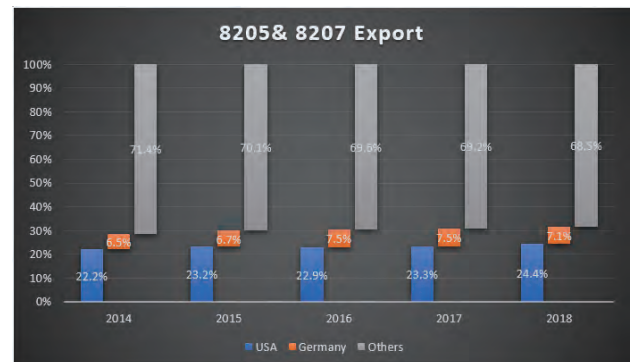
The main market for China-made tools is USA, and Germany is ranked as the 2<sup>nd</sup> biggest market for Chinese tools.

The right graph proves that China is the main supplier of tools in the world, and its tools are not exported to a specific market except for USA.

- USA is the biggest buyer of Chinese tools. It bought 22.2% to 24.4% of Chinese exported tools. The graph reveals that tools exported from China to USA have a positive trend, but based on increased entrance goods tax from China to USA, it is predictable that this market share will drop in 2019.
- Germany as the 2<sup>nd</sup> biggest Chinese tools buyer has a notable distance with USA. It bought tools 5.5 times less than USA.
- Other countries including more than 190 countries bought about 70% of Chinese tools.

Unit: Thousand USD	8205				
Importer	2014	2015	2016	2017	2018
World	2,196,546	2,296,598	2,169,470	2,304,194	2,616,442
USA	521,345	607,857	545,409	627,987	717,820
Germany	114,228	115,777	111,340	114,754	130,864
Others	1,560,973	1,572,964	1,512,721	1,561,453	1,767,758

Unit: Thousand USD	8207				
Importer	2014	2015	2016	2017	2018
World	2,814,767	2,811,322	2,661,485	3,211,071	3,636,030
USA	589,731	577,347	561,514	655,367	807,203
Germany	209,777	228,252	249,133	300,266	313,518
Others	2,015,259	2,005,723	1,850,838	2,255,438	2,515,309



## Import

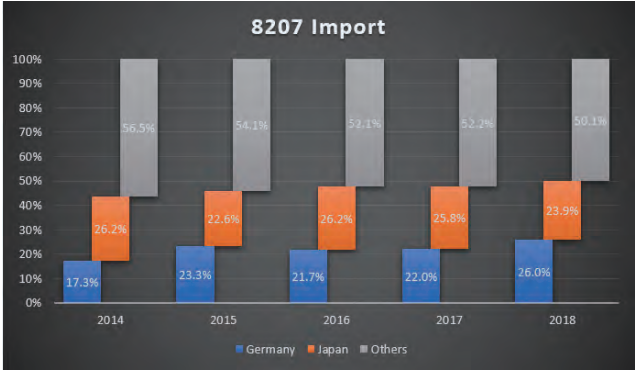
The import value of China in these two categories is 1.8 billion USD. It means Chinese market is a notable market for tools, too. However, the following table shows that

- China is an independent country in terms of HS Code 8205, as in this category its export is more than 20 times bigger than its import.
- In terms of HS Code 8207, China's export is 2 times bigger than its import. In a classic analysis, it means that China is an independent country in this category, too, but the 1.8 billion USD import value is also a huge amount that makes China's market notable for the tooling exporters.
- Germany is the main partner of China in the import of 8205 and 8207, while USA and Japan are ranked in the 2<sup>nd</sup> places respectively in 8205 and 8207. However, Japan's tools export value is 20 times higher than that of the US.

The graph below shows the import of HS Code 8207. As the import numbers of HS Code 8205 are much smaller than those of HS Code 8207, they are eliminated in the import graph.

The graph below reveals that Germany could increase its share in China's tools import. Although it started with 17.3% in 2014, it reached 26.0% in 2018.

Japan also recorded 26.2% in 2016, but its export decreased in 2017 and fell behind Germany in 2018.



Unit: Thousand USD	8205				
Exporters	2014	2015	2016	2017	2018
World	133,591	114,943	108,222	103,897	123,109
Germany	35,100	29,725	24,224	18,757	25,871
USA	16,943	13,809	14,585	18,686	20,287
Others	81,548	71,409	69,413	66,454	76,951

Unit: Thousand USD	8207				
Exporters	2014	2015	2016	2017	2018
World	1,734,053	1,735,922	1,495,507	1,695,466	1,791,160
Germany	299,842	403,729	323,828	373,240	465,852
Japan	454,656	392,629	392,029	437,698	428,038
Others	979,555	939,564	779,650	884,528	897,270

These two countries (Japan and Germany) satisfied 50% of required tools in China, and the remaining 50% was satisfied by other 200 countries.

In this case, we can assume that these two countries are China's major partners and it means that Chinese suppliers have focused on products of these two countries.



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### What will Happen in 2019?

USA has started a trade war with China by increasing the tariffs, and China as one of the biggest tools producers is being affected. It is very normal that China starts to strengthen its relationship with the other major economies like Germany and Japan. On the other hand, countries in the West have a good relationship with the US and they will be afraid of working with China because of US penalty, and therefore, the relations between Germany and USA, Japan and USA make this equilibrium (China-Japan and China-Germany) complicated.

The right table compares the tools business between China and its main partners.

Reduced business between the US and China is very clear. China decreased its import from the U.S. by 19.2% and the U.S. decreased its tools import from China by 27.7% in the 8205 categories.

Based on the USA-Germany relationship, Germany also decreased its tools import from China by 19.2%, but China increased its import through Germany by 6.1%.

This trade war has decreased China's market by 18.0% in the HS code 8205, and its import in this category also decreased by about 5%.

In the category of 8207, the trade war between China and USA has decreased US import from China by 27% and Germany also decreased its import from China in this category by 0.4%. This war has decreased the market of China about 15% in the world.

The same goes for 8205. In this category China increased its tool import from Germany and Japan very sharply.

2019 and 2020 will be very challenging years for China and the reaction of China is the key point of this war. ■

China's Trade with Other Countries (Value in 1,000 USD)		2018-Q4	2019-Q1	Difference	
8205	Exporters	World	29,243	27,839	-4.8%
		Germany	5,489	5,823	6.1%
		USA	5,585	4,510	-19.2%
8205	Importers	World	648,904	531,933	-18.0%
		USA	194,328	140,498	-27.7%
		Germany	32,674	26,390	-19.2%

China's Trade with Other Countries (Value in 1,000 USD)		2018-Q4	2019-Q1	Difference	
8207	Exporters	World	371,657	445,379	19.8%
		Japan	110,118	147,930	34.3%
		Germany	81,003	106,798	31.8%
8207	Importers	World	930,507	791,877	-14.9%
		USA	202,618	147,977	-27.0%
		Germany	72,168	71,886	-0.4%

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