



U.S Fastener Trade with Latin America During 2020 and Q1 2021

by Sabrina Rodriguez



2021第一季 美國與拉美扣件貿易分析

Data note: The data for this article is derived from the US Census trade statistics. US Census trade statistics analyze import and export on all modes of transportation. That value is calculated in USD by general CIF for imports and FOB for exports. Fasteners in this article are defined as any product under HS Code 7318 [screws, bolts, nuts, coach screws, screw hooks, rivets, cotters, cotter pins, washers and similar articles of iron or steel].

It is no surprise that the U.S. supply chain was shaken to its core during the height of the pandemic due to a decline in the production of goods that remained in high demand. With worldwide shortages and disruptions in the supply chain, companies were forced to find alternate sourcing, some which were with countries in their immediate region to avoid long shipping delays. It is believed that the pandemic in 2020 caused even the most developed and fluid supply chains to realize they were in fact more vulnerable than they thought.

Due to the vigorous and (at times) volatile supply chain, U.S. companies are looking to diversify their foreign suppliers while Latin American manufacturers are making efforts to expand their foreign partners in North America. Has Latin America shown to be a promising region for U.S. companies to source new trading partners? Does the U.S. export a significant number of fasteners into countries in Central and South America? Has Mexico remained one of the most prominent trading partners of the U.S.?

2020 U.S. Trade with Latin America

During 2020, Latin America exported over 128 million USD worth of fasteners into the U.S. market. Mexico is one of the biggest producers of fasteners in the Americas making it the leading supplier of fasteners to the U.S. During 2020, the U.S. imported over 114 million USD which accounts for nearly 89% of the imports of fasteners from Latin America. Brazil accounts for the second highest volume of fasteners to the U.S.; however, their totals are nowhere near those of Mexico. In 2020, Brazil exported a total of 12.7 million USD worth of fasteners to the U.S. Other countries in South America such as Argentina, Colombia, Peru, and Chile account for less than 1% of the total value of fasteners

United States - Import				
Country of Origin	2020			
	General Total Value CIF (USD)	%	General Quantity	%
MEXICO	114,068,791	88.89	13,485,743	85.04
BRAZIL	12,794,780	9.97	2,019,861	12.74
ARGENTINA	685,046	0.54	140,423	0.89
COLOMBIA	211,867	0.17	33,675	0.22
PANAMA	202,704	0.16	134,135	0.85
PERU	126,941	0.10	19,040	0.13
COSTA RICA	81,464	0.07	2,094	0.02
CHILE	74,663	0.06	5,095	0.04
HONDURAS	43,268	0.04	15,938	0.11
ECUADOR	19,403	0.02	1,151	0.01
GUATEMALA	14,845	0.02	1,493	0.01
EL SALVADOR	6,625	0.01	100	0.01
BELIZE	4,796	0.01	113	0.01
Total	128,335,193	100.00	15,858,861	100.00

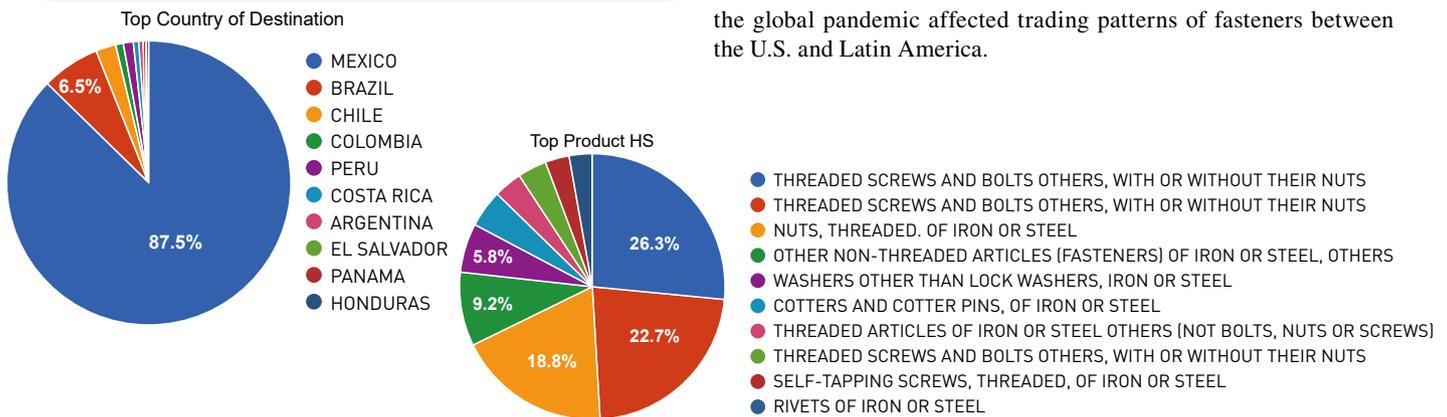
United States - Fastener Export				
Country of Destination	2020			
	FOB Value (USD)	%	Quantity	%
MEXICO	1,216,036,841	87.19	167,065,567	91.36
BRAZIL	90,407,063	6.49	9,125,876	5.00
CHILE	30,385,932	2.18	2,120,429	1.16
COLOMBIA	15,356,551	1.11	791,307	0.44
PERU	14,901,348	1.07	1,118,751	0.62
COSTA RICA	8,017,959	0.58	470,422	0.26
ARGENTINA	7,519,449	0.54	871,398	0.48
EL SALVADOR	3,014,690	0.22	242,606	0.14
PANAMA	2,300,830	0.17	168,479	0.10
HONDURAS	2,090,821	0.15	267,575	0.15
GUATEMALA	1,518,572	0.11	212,573	0.12
ECUADOR	1,037,642	0.08	112,037	0.07
VENEZUELA	677,318	0.05	22,844	0.02
NICARAGUA	590,345	0.05	112,161	0.07
BELIZE	345,652	0.03	105,545	0.06
SURINAME	323,124	0.03	18,884	0.02
URUGUAY	252,295	0.02	34,002	0.02
PARAGUAY	39,439	0.01	7,695	0.01
Total	1,394,815,871	100.00	182,868,151	100.00

exported to the U.S. in 2020. Other countries in South America such as Paraguay, Uruguay, Bolivia, and Venezuela are not in the fastener market.

Countries in Central America combined do not even make up 1% of fastener trade from Latin America to the U.S. While Panama, Costa Rica and Honduras export the most quantity and value to the U.S., they collectively do not make a large enough impact to be seen as major trading partners. El Salvador and Belize are the two countries in Central America that export the least number of fasteners to the U.S. from the Latin America region. This region proves to be attempting to enter the fastener market, specifically with the U.S., but might be more of a relevant trading partner with its neighboring countries.

The top 3 subsets of 7318 that are exported from Latin America to the U.S. in the highest value are 731815, 731816 and 731829. 731815 accounts for over 102 million USD in value which is more than all the other subsets combined. 731816 being the second highest subset of fasteners accounts for over 35 million USD, followed by 731829 which accounted for over 8 million USD. Subsets 731823, 731812, 731813 and 731811 accounted for a combined total of less than 2 million USD.

Beginning in the month of April 2020, fastener imports from Latin America began to decline. In June 2020, the total quantity was at the lowest, but then began to increase in July followed by another slight decrease in August. October 2020 was the month with the highest volume of 2020, but a few months later in January 2021 there was another sudden decline of volume. It is evident that COVID-19 and the global pandemic affected trading patterns of fasteners between the U.S. and Latin America.



United States - Fastener Export				
Product HS	2020			
	FOB Value (USD)	%	Quantity	%
7318159000 - Threaded Screws And Bolts Others, With Or Without Their Nuts	356,753,177	25.58	59,405,968	32.49
7318152000 - Threaded Screws And Bolts Others, With Or Without Their Nuts	307,558,772	22.06	47,967,360	26.24
7318160000 - Nuts, Threaded, Of Iron Or Steel	254,902,817	18.28	26,755,546	14.64
7318290000 - Other Non-Threaded Articles (Fasteners) Of Iron Or Steel, Others	124,155,222	8.91	10,132,733	5.55
7318220000 - Washers Other Than Lock Washers, Iron Or Steel	78,775,752	5.65	8,693,136	4.76
7318240000 - Cotters And Cotter Pins, Of Iron Or Steel	61,275,804	4.40	5,233,895	2.87
7318190000 - Threaded Articles Of Iron Or Steel Others (Not Bolts, Nuts Or Screws)	48,518,700	3.48	4,106,906	2.25
7318155000 - Threaded Screws And Bolts Others, With Or Without Their Nuts	44,472,091	3.19	6,002,409	3.29
7318140000 - Self-Tapping Screws, Threaded, Of Iron Or Steel	41,882,148	3.01	6,020,709	3.30
7318230000 - Rivets Of Iron Or Steel	36,504,162	2.62	4,383,646	2.40
7318210000 - Spring Washers And Other Lock Washers, Of Iron Or Steel	20,407,734	1.47	1,174,919	0.65
7318110000 - Coach Screws, Threaded, Of Iron Or Steel	7,455,519	0.54	1,040,507	0.57
7318130000 - Screw Hooks And Screw Rings, Threaded, Of Iron Or Steel	7,121,421	0.52	919,674	0.51
7318120000 - Wood Screws Other Than Coach Screws, Iron Or Steel, Threaded	5,032,552	0.37	1,030,743	0.57
Total	1,394,815,871	100.00	182,868,151	100.00

Industry Focus

Latin America appears to have a greater demand for fasteners which explains why the U.S. exported over 1.3 billion USD in 2020 alone. Of those fastener exports, Mexico accounted for 1.2 billion USD which makes up over 87% of the total value of fasteners exported to Latin America. Brazil, Chile and Colombia account for about 10% of the total value of fastener exports, while countries such as Ecuador, Venezuela, Nicaragua and Belize all account for less than 1% of foreign trading partners for the U.S. Of the subsets exported from the U.S. to Latin America in the highest value and quantity are 7318152000, 7318159000 and 731816000.

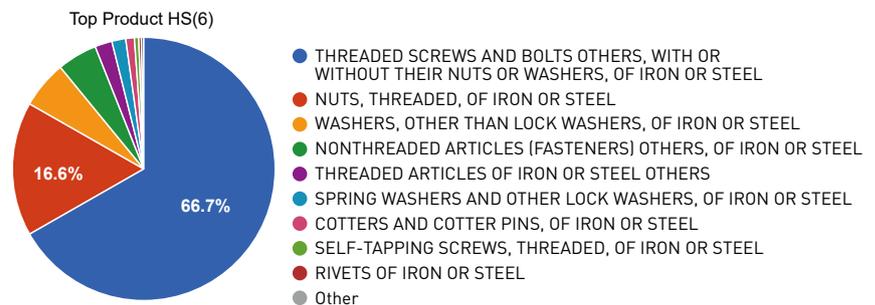
2021 Fastener Trade with Latin America

During the first quarter of 2021, all Latin American countries have exported a combined total of over 37 million USD to the U.S., of which 90% was from Mexico. Mexico accounted for over 33 million USD of fasteners to the U.S., while all other countries combined totaled the other 10%, or 4 million USD. Brazil trails Mexico as the second largest trading partner and accounts for 3.4 million USD exports to the U.S., followed by the other 7 countries in Latin America that exported fasteners to the U.S. during the first quarter of 2021. Of these exports from Latin America to the U.S., over 66% were of subset 731815, 16.5% of 731816 and 5.9% of subset 731822.

The U.S. exported a total of 1.8 billion USD of fasteners to countries within Latin America between January 2020 and March 2021. During March 2021, the U.S. exported the highest amount (over 147 million USD), followed by January 2021 which accounts for 145 million USD. For comparison, during March 2020 the U.S. exported 133 million USD which is roughly 14 million USD less than was exported in March 2021. After seeing these totals, it is believed that U.S. supply of fasteners is increasing an exponential amount which is in turn allowing fastener trade with Latin America to increase.

While the modern world just finished witnessing what could be considered an anomaly in global trade, we are beginning to see more stable supply chains in 2021. Supply as well as demand is beginning to increase, although there are still an overwhelming number of shortages of specific commodities. As supply chain leaders continue to analyze their markets closely, it is inevitable for them to diversify their foreign trading partners to become stronger not only in their market but also to become less vulnerable in the future. Regions such as Latin America can be seen as emerging markets with extreme potential when it comes to manufacturing of fasteners, which is why more companies should look to Latin America for potential trading partners. ■

United States - Import				
Country of Origin	2021 - Q1			
	General Total Value CIF (USD)	%	General Quantity	%
MEXICO	33,394,394.00	90.19	4,068,789.00	85.53
BRAZIL	3,417,611.00	9.23	635,399.00	13.36
ARGENTINA	109,209.00	0.30	20,515.00	0.44
PANAMA	30,970.00	0.09	26,745.00	0.57
CHILE	30,663.00	0.09	2,392.00	0.06
COLOMBIA	18,212.00	0.05	2,344.00	0.05
EL SALVADOR	13,610.00	0.04	134.00	0.01
BELIZE	8,778.00	0.03	950.00	0.02
COSTA RICA	4,304.00	0.02	5.00	0.01
Total	37,027,751.00	100.00	4,757,273.00	100.00



United States - Import				
Product HS (6)	2020			
	General Total Value CIF (USD)	%	General Quantity	%
731815 - Threaded Screws And Bolts Others, With Or Without Their Nuts Or Washers, Of Iron Or Steel	24,698,173	66.71	3,741,033	78.64
731816 - Nuts, Threaded, Of Iron Or Steel	6,128,401	16.56	575,961	12.11
731822 - Washers, Other Than Lock Washers, Of Iron Or Steel	2,181,157	5.90	91,328	1.92
731829 - Nonthreaded Articles (Fasteners) Others, Of Iron Or Steel	1,821,051	4.92	187,246	3.94
731819 - Threaded Articles Of Iron Or Steel Others	775,758	2.10	52,875	1.12
731821 - Spring Washers And Other Lock Washers, Of Iron Or Steel	669,314	1.81	47,222	1.00
731824 - Cotter Pins, Of Iron Or Steel	389,259	1.06	22,822	0.48
731814 - Self-Tapping Screws, Threaded, Of Iron Or Steel	209,902	0.57	21,530	0.46
731823 - Rivets Of Iron Or Steel	145,416	0.40	16,362	0.35
731812 - Wood Screws Other Than Coach Screws, Threaded, Of Iron Or Steel	3,996	0.02	823	0.02
731811 - Coach Screws, Threaded, Of Iron Or Steel	3,317	0.01	69	0.01
731813 - Screw Hooks And Screw Rings, Threaded, Of Iron Or Steel	2,007	0.01	2	0.01
Total	37,027,751	100.00	4,757,273	100.00