

Fastener World News

compiled by Fastener World

Association News

Marc Strandquist Posthumously Awarded NFDA's 2024 Fastener Professional of the Year



The National Fastener Distributors Association (NFDA) is honored to announce that the 2024 recipient of its Fastener Professional of the Year award is Marc Strandquist.

In his nomination of Marc, Doug Ruggles stated "I don't know anyone who has had a broader impact on the industry driving professionalism, growth, and a commitment to giving back. He was beloved by his team and customers because of his ability to connect with them and truly care for their goodwill."

Marc started his career in the fastener industry as a salesman in 1986 and worked his way up to CEO of two different global fastener companies during his career: Wurth Industry North America and Optimas Solutions. He was in the fastener industry for 37 years in various roles; both distribution and manufacturing. During his career, he accomplished much, and he prided himself on creating positive work cultures and employee engagement. His enthusiasm and positive approach to managing was infectious and felt by employees and customers alike.

Marc was the consummate businessman who could relate to people and circumstances at every level, from warehouse employees to C-suite executives. He knew how to bring individuals together to solve problems and move the business forward. Marc helped craft some of the largest and most complex contracts in the fastener industry. His work in mergers and acquisitions added many strategic and synergistic companies to his management portfolio.

Marc served as President of the National Fastener Distributors Association from 2016-2017. He was driven to mentor and guide people in their careers and helped many people grow and develop over the years.

Marc's family will accept the NFDA Fastener Professional of the Year award in his memory at the NFDA Annual Meeting & ESPS® in Irving, Texas on June 13, 2024.

Industry Development

Ukraine Announces Extension of AD Measures Against Steel Fasteners from China

Ukraine's Interdepartmental Commission on International Trade has announced the extension of anti-dumping duties on steel fasteners originating from China. The extension came into force immediately from April 17, 2024. Except for 2 Chinese producers subject to lower AD rates less than 40%, all other Chinese steel fastener producers and exporters will be subject to a rate of 67.4%. The products involved are threaded steel screws, bolts, nuts imported from China, falling within the categories of 7318156990, 7318158190, 7318198169190 and 7318169990.



The AD measures were first introduced in Ukraine in 2020 and the AD investigation was launched in Dec. 2019 and completed earlier than expected. Ukraine also announced the final AD measures against steel wire originating from China last August, which is valid for 5 years at a rate of 32.6%.

Mexico Imposes Temporary Anti- dumping Duty on Chinese Steel Nails

According to the latest announcement of the Mexican Federal Government, on July 27, 2023, Clavos Nacionales Mexico S.A. de C.V. applied to the Mexican Ministry of Economy for an anti-dumping investigation of steel nails (Mexican tariff number 73170099) imported from China. In September of the same year, the Mexican government formally initiated an anti-dumping investigation on the product (the period of the dumping investigation was from May 1, 2022 to April 30, 2023. The period of the injury investigation was from May 1, 2020 to April 30, 2023).



Based on the results of the investigation, Mexico announced on March 15, 2024 that it has preliminarily determined that the quantity of the product imported into Mexico from China and its market share in the Mexican market are likely to continue to increase in the future, which will have a negative impact on the Mexican industry; and therefore, a temporary anti-dumping duty of 31% will be levied on top of the original 25% tariff, which will take effect on and after the date of the announcement.

China at 1st and Taiwan at 5th Place in Initial CBAM's Most Carbon-Intensive Exports Report

The EU's CBAM started a pilot basis from October 2023. The deadline for the first carbon data submission was postponed 30 days until the end of February 2024 due to technical issues. According to statistics obtained by the "Financial Times" through the European Commission, China is the top exporter of carbon-intensive products, with more than 25,000 entries. The U.S. ranked second with about 10,000 entries, the U.K. ranked third with about 7,000 to 8,000 entries, and Turkey ranked fourth with about 6,000 to 7,000 entries. Taiwan ranked fifth and India ranked sixth, both ranging between 5,000 and 6,000 entries. S. Korea in 7th place, Japan in 8th place, Venezuela in 9th place and Ukraine in 10th place are all far below 5,000 entries. The rest of the countries have a combined total of around 10,000 entries.

From the above data, it is clear that China's carbon-intensive export entries are more than double those of the U.S. and the UK, and are nearly five times those of Taiwan and India. This is partially reflected in the fact that the value of China's exports to the EU is the highest. Taiwan, which ranks eighth in the world in terms of export value, also has a high value of exports to the EU. In addition, fasteners are the top downstream steel product category exported from Taiwan, and are mostly produced by several SMEs in Taiwan. In addition, Taiwanese government has attached great importance to the CBAM issue in recent years and has organized many seminars. Fastener World Magazine has also long called for fulfilling the duty of carbon emission reporting. These factors pushed up Taiwanese companies' entries. In fact, around 5,000 out of the 13,000 reports submitted by local EU importers came from Taiwan.

However, it is worrisome that the completion rate of the first submission is less than 10%, as many EU local importers are unfamiliar with their reporting obligations. If they do not complete the submission by mid-July 2024, they will face fines up to €50 per ton of carbon emission. The European Commission has said it will simplify the system to make it easier for them to operate. However, it is still necessary for manufacturers who are most familiar with their own carbon emissions to work with EU importers to complete the submission smoothly.



Britain Seeks Views on 2027 Carbon Border Tax

Britain has launched a consultation on how it should apply a new carbon import levy on some products from 2027 to help protect businesses against cheaper imports from countries with less strict climate policies.



Britain, which has a target of reaching net zero emissions by 2050, launched an emissions trading system (ETS) in 2021 to charge power plants, factories and airlines for each ton of carbon dioxide they emit as part of efforts to meet that goal. The planned carbon border adjustment mechanism (CBAM) will apply to imports of carbon-intensive products in the iron and steel, aluminum, fertilizer, hydrogen, ceramics, glass and cement sectors.

Britain's benchmark ETS carbon contract currently trades around 36 pounds (\$46) per metric ton, while contracts in China's ETS trade around 84 yuan (\$11.67) a ton. Britain proposed using the average auction price of permits in its ETS over the preceding quarter as a reference price for the levy. "Using a quarterly reference ... would allow for the UK CBAM rate to track the changes in the UK ETS price throughout the year," the document wrote.

It proposes the first CBAM accounting period should run from Jan 1, 2027, to Dec. 31, 2027, and that from 2028 accounting periods should become quarterly. The consultation will be open until June 13 and seeks views specifically from tax advisers, professional bodies, importers and businesses from Britain and overseas, it wrote.

World Steel Association: "Steel demand will strengthen in Q2 with steel demand, up 1.7% year-on-year"

worldsteel
ASSOCIATION

The World Steel Association released a short-term demand forecast report stating that this year's high interest rate environment will gradually fade away, and global manufacturing momentum will heat up. It is expected that steel demand will gradually strengthen from Q2, and the steel industry will be on a steady recovery track. Overall demand will be higher than in 2023, with an increase of 30.1 million tons, an annual increase of 1.7%. The global economy has shown resilience under the leadership of the United States, and steel demand outside China has maintained an annual growth rate of 1.3%. The construction industry in Europe and the United States will recover thanks to lower interest rates, and demand from the automobile and home appliance industries will also strengthen.

China's manufacturing industry has had an opportunity to recover since March this year. The manufacturing purchasing managers index (PMI) in March was 50.8. It is expected that demand for home appliances, machinery, metal processing, automobiles, etc., will recover in 2024 to fill the gap in construction demand. This year the overall steel demand in China is expected to remain flat.

In addition, regions such as Japan and South Korea are expected to benefit from the recovery of the automobile industry. Demand





San Shing Fastech's Q1 Shipments Expected to Be Higher Over Last Year

in India and Southeast Asia will remain strong as the export industry improves, and will continue to serve as growth engines. Overall, global steel demand is estimated to be 1,793.1 million tons in 2024, with an annual increase of 1.7%, an increase of approximately 30.1 million tons compared with 2023.

Looking forward to 2025, the World Steel Association predicts that with the stable development of the global economy, the steel industry will continue to maintain growth momentum. It predicts that global steel demand in 2025 will be 1815.2 million tons, an increase of 22.1 million tons compared with 2024, an annual increase of 1.2 %, continuing to demonstrate the positive growth momentum of the global steel market.

Companies Development

KPMG is Certified to Conduct 3rd-Party Carbon Emissions Verification



KPMG, announced that it has obtained the certificate and can provide third-party carbon emissions verification service. KPMG established a wholly-owned subsidiary "KPMG Carbon Resource Assurance and Advisory Services", which has passed certification by Taiwan Accreditation Foundation (TAF) in accordance with the "ISO 17029 General Principles and Requirements for Verification and Verification Agencies".

KPMG has passed ISO 17029 certification and can provide verification services for various voluntary sustainability indicators, including organization's greenhouse gas inventory, greenhouse gas reduction projects, product carbon footprints, carbon neutrality, water consumption and other sustainability indicators.

In addition to serving domestic Taiwanese customers, KPMG said that through its global member affairs office, it can provide ISO greenhouse gas inspection services required by overseas Taiwanese businessmen in response to supply chain requirements.

Sumeeko's U.S. Plant Strives to Launch Production in Q4



Sumeeko's Q2 orders are expected to maintain at the Q1 level. Overall, although the auto market this year is shrouded in uncertainty, especially the sluggish European auto market, Sumeeko has successively gained many new customers during the pandemic, and has tapped into new EV models. The overall order performance is stable. Sumeeko's U.S. plant will start small-scale production in Q4, and its contribution is expected to gradually appear in 2025. The company said that the U.S. plant has already received orders. Therefore, the orders the U.S. plant has received are counted on the extra capacity, rather than the orders transferred to be processed in the U.S.

Last year, Taiwanese fastener industry met with headwinds, but automotive fastener maker San Shing Fastech benefited from the relatively stable automobile market and its profits did not decline significantly. Looking at 2024, market conditions in Europe and the U.S. have improved, so the company thinks the worst has passed. Its Q1 shipments are expected to be higher than the same period last year, and gross profit margins are expected to remain stable. Its January revenue at NTD 690 million translates to an increase of 28.02% month-on-month and 43.15% year-on-year, reaching a new high in the past year and a half. San Shing Fastech's consolidated revenue in 2023 was NTD 6.644 billion, an annual decrease of 7.26%; its net profit after tax was NTD 997 million, an annual decrease of 5.96%.

Chun Zu Machinery Seeks Local Distributors to Expand Market in Vietnam



Chun Zu Machinery Industry, a professional fastener machinery manufacturer in Taiwan, announced at the beginning of 2024 that it will seek cooperative distributors and agents in Vietnam, hoping to expand the sales and layout of its products in the Vietnamese market through the addition of local partners.

With 50 years of professional technology and product development experience, Chun Zu mainly produces high-quality fastener forming, heading, thread rolling and many other processing equipment, and can also assist customers in whole-plant output planning. Currently, Chun Zu has sold a total of 18,000 sets of equipment in the global market, and its long-term after-sales service and technical support have won the trust and affirmation of customers from all over the world over the past decades.

Taiwanese Automotive Fastener Companies Likely to Perform Better Than Last Year Amid China's EV Boom

Taiwanese fastener industry has been hit hard by the recession. However, automotive fastener sales are going up with the EV boom in China. In addition, the depreciation of the New Taiwan Dollar is beneficial to exports. Taiwanese automotive fastener companies including Boltun, Sumeeko and Spec Products Corp are all expected to perform better this year.

According to statistics, China's automobile sales in Q1 this year reached 6.72 million units, with an annual increase of 10.6%. A company said that the current export orders for automotive fasteners have rebounded to 80% to 90% of the previous normal level. The orders for automotive nuts have rebounded to more than 70%, although the recovery is relatively slow. Major Taiwanese automotive fastener companies are expected to benefit from the booming auto market. Analysts predict that these companies will perform better than last year and make more profits.

Daniel Westberg Appointed New CEO for Nord-Lock Group

Nord-Lock Group, the global leader in bolting and engineering solutions, announced Daniel Westberg as their new Chief Executive Officer. Daniel will assume his responsibilities as CEO on August 1, 2024. "I am honored and excited to take on the role of CEO at Nord-Lock Group, a company with a rich legacy. The Group is on an exciting journey, and I look forward to unlocking new horizons and developing the Group and its four technology brands toward even greater success," says Daniel Westberg. For more than 20 years, Daniel has held various executive-level roles within SKF and its different subsidiaries, both in Sweden and abroad, most recently Daniel served as President & CEO at Ewellix.

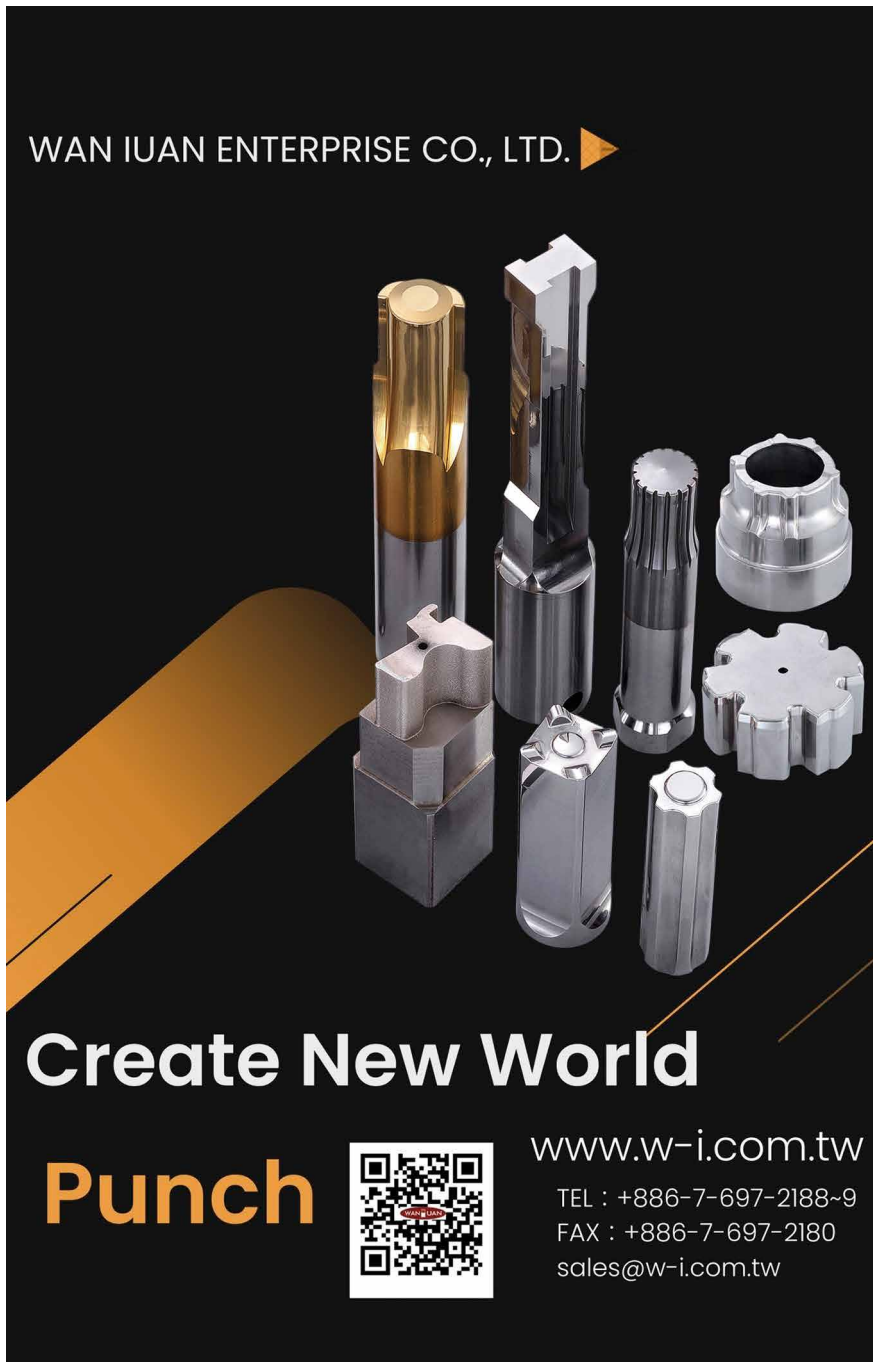
"The appointment of Daniel as CEO marks an exciting chapter for Nord-Lock Group and Latour. Daniel has proven to drive results and has consistently propelled the businesses he has led forward. With his international industrial background, strong



commercial and technical understanding, Daniel brings a fresh perspective and strategic vision to the organization", says Johan Menckel, Chairman of the Board for Nord-Lock Group.


Daniel holds a Master of Science in Mechanical Engineering, and his strong technical acumen along with a passion for innovation has been instrumental throughout his career. Having lived and worked in Canada, Germany, and France, Daniel has an extensive global background. These diverse cultural encounters have brought enriched perspectives and provided valuable insights that Daniel now brings into his role as CEO of Nord-Lock Group.

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Indian Sterling Tools Signed MoU with Korean Yongin Electronics

Indian automotive fastener producer, Sterling Tools Limited, has recently signed an MoU for EV components facility with S. Korean key component supplier, Yongin Electronics Co., Ltd., through its subsidiary, Motor Control Units (MCUs) in India. According to Sterling Tools, the agreement signed by both sides will play an important role in advancing the domestic manufacturing of EV and electronics components in India, and a new facility for EV components will be also set up soon. Yongin's technological expertise will also benefit the growing EV industry sector in India.

"This MoU demonstrates Sterling's commitment to developing the EV and Electronics ecosystem and contributing to "Make In India". We are one step closer to our goal of strengthening our presence and offerings as a provider of green energy solutions in the automotive industry," said Anish Agarwal, Director from Sterling Tools Limited.

"We recognize the significant potential within the Indian EV market. It brings us great

pleasure to announce our partnership with Sterling through the signing of an MOU. We are prepared to embark on a journey of mutual growth and collaboration within the Indian EV industry, contributing positively to its advancement," said CEO KH Kim of Yongin Electronics.

Trifast plc Announces Directorate Change

The Company announces that Darren Hayes-Powell, Chief Financial Officer and Executive Director has, by mutual agreement left the business with immediate effect. The Board thanks him for his contribution since he joined in

December 2022, and wishes him well.

Kate Ferguson, the Group Financial Controller will assume the role of interim CFO, while the Board commences an executive search process for a permanent replacement. Senior Independent Non-Executive Director, Clive Watson will, as required, support Kate and the Finance function during this period. Kate joined the business in August 2023 and has more than 20 years' experience in finance, IT support, administration and facilities management having worked across a variety of industries both in the UK and overseas.

Acquisitions

U.S. Steel Shareholders Approve Takeover by Japan's Nippon Steel

U.S. Steel shareholders have overwhelmingly approved the company's sale to Nippon Steel of Japan for US\$14.1 billion in cash, voicing unequivocal support for a combination that has drawn opposition from the Biden administration on economic and national security grounds.

More than 98% of the shares voted at a special investor meeting approved the takeover, according to a preliminary count of ballots announced by Pittsburgh-based U.S. Steel.

President Joe Biden has come out in opposition to the deal, saying in March that the U.S. needs to "maintain strong American steel companies powered by American steelworkers." Japanese Prime Minister Fumio Kishida said during a White House news conference that he hopes discussions on Nippon "will unfold in directions that would be positive for both sides."

The United Steelworkers, which represents the U.S. Steel labor force, did not respond to this.



Diploma to Acquire Peerless Aerospace Fastener in US\$300M Deal

Diploma PLC, a global value-add distribution group, announced its proposed acquisition of Peerless Aerospace Fastener LLC, a market-leading distributor of specialty fasteners into the U.S. and European aerospace markets for an estimated £236 million (US\$300 million).

Peerless is one of the largest independent value-added distributors of aerospace fasteners with a strong reputation for quality and breadth of product, speed to market, and value-add customer service. This customer proposition has driven a long track record of organic growth of about 9% and has enabled a 30% operating margin.

The acquisition will add to Diploma's established position in aerospace fasteners, extending its capability from aircraft cabin to airframe, accelerating organic growth by significantly expanding its capability in the U.S. with an enhanced product offer, and further penetrating key strategic markets in Europe.

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