Fastener World NEWS

ASSOCIATION NEWS

Korea Federation of Fastener Industry Cooperatives Holds a Yearend Gathering

As 2024 drew to a close, the Korea Federation of Fastener Industry Cooperatives held its annual year-end gathering, an event designed to strengthen communication among members and foster collaboration for future industrial advancements. The gathering took place on November 20, 2024, at the Gwangmyeong Station Convention Wedding Hall in Gyeonggi Province. The event commenced at 16:00 and featured a range of activities aimed at enhancing professional relationships within the industry. Attendees looked forward to expert lectures that provided valuable insights into current trends and challenges facing the sector. Additionally, the Association presented its annual business reports, highlighting key achievements and initiatives from the past year.One of the highlights of the evening was the awards ceremony, which recognized outstanding individuals who made significant contributions to the industry. Following the formalities, attendees had the opportunity to engage in toasts and enjoy dinner together, further promoting networking and camaraderie among members. To commemorate the occasion, year-end gifts were provided to all participants, adding a festive touch to the gathering. Representatives from member companies were encouraged to attend this important event, which aimed not only to celebrate the year's accomplishments but also to pave the way for future collaborations and innovations within the industry.

ISA Appoints 2024-2025 Board of Directors

The Industrial Supply Association (ISA) appointed several industry leaders from distribution, manufacturing and manufacturer representatives to its Board of Directors for the 2024-2025 term. Beginning July 1, the following volunteer leaders are responsible for charting ISA's strategic direction while overseeing initiatives that drive the advancement of the industry and the association.

ISA 2024-35 Executive Chairs

˙Chair: Joyce Lansdale, Vallen USA Vice President of Industrial Sales
˙Vice Chair: Keith Mudge, Kennametal Vice President of Sales in the Americas
˙Treasurer: Brent Williams, US Tool Group President
˙Secretary: Patrick Baliva, Saint-Gobain Abrasives' Executive Sales Director of North America
˙Immediate Past Chair: Rob Keenan, Seco Tools President

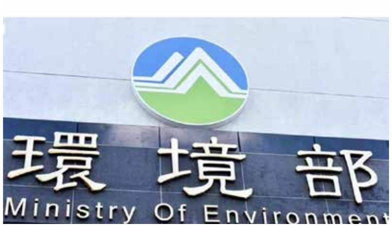
ISA 2024-35 Directors

˙Mike Page, R.S. Hughes Chief Marketing Officer
˙Jessica Yurgaitis, Industrial Supply Company CEO
˙Jim Biel, Black Hawk Industrial Vice President Product Management
˙Bill Davis, Snap-on Industrial Vice President of Industrial Distribution Sales
˙Jim Johnson, Line Drive President
˙Teresa Wu, 3M Industrial Channel Vice President for United States and Canada's Safety and Industrial Business Group
˙Jim Terry, CEO/Owner of P.F. Markey
˙Matt Sisco, Safety Products Global Executive Vice President

"This group of leaders brings a fresh perspective and a wealth of experience that will be instrumental in driving our strategic initiatives forward," ISA CEO Brendan Breen said. "I look forward to working closely with them to foster collaboration, innovation, and growth within our association and the entire industrial supply industry."

LATEST ON CBAM & CARBON PRICE

Taiwan MOE Determines Domestic Carbon Price Rate



Taiwan Ministry of Environment announced a consensus on the carbon price on October 7. The review committee has determined that the general rate is NTD 300 per ton, which will be increased to NTD 1,200 to 1,800 in 2030. Preferential rates may be applied to businesses that propose independent reduction plans. The preferential rates are NTD 50 or NTD 100 depending on specified requirements. In addition, businesses with high carbon leakage risks can multiply the price by the "emission adjustment coefficient" of 0.2, which will result in the minimum carbon price at only NTD 10 per ton. The charges are applicable to the electricity, gas supply and manufacturing industries whose annual greenhouse gas emissions exceed 25,000 metric tons of carbon dioxide equivalent. In the first phase, there are about 281 companies subject to carbon price collection. The Ministry has calculated and found that if all carbon price levy targets can propose independent reduction plans, the carbon emissions will be reduced by 14% in 2030 compared with 2005, while Taiwan's Nationally Determined Contribution (NDC) target for 2030 is 23% to 25%.

The Ministry stated the next step is to pre-announce a draft bill for carbon price rate, which is expected to take effect on New Year's Day in 2025. There will be future measures to increase carbon inventory scope as well as the levy targets. Calculation based on a preferential rate of NTD 100 translates to a carbon price income of NTD 6 billion in 2026, which will be used for practical reduction efforts, adaptation to climate change, administrative implementation and other work. If a manufacturer with annual emissions of 10 million tons does not propose a voluntary reduction plan, it will have to pay NTD 2.99 billion per year; if it submits the plan and multiplies the emissions by the high carbon leakage risk factor of 0.2, it will only have to pay a minimal NTD 100 million. Environmental protection advocates issued a statement of criticism, asking that the preferential rates be phased out after 2030. Starting next year, the Ministry will follow the EU's practice and require imported similar products to declare emission coefficients. The Ministry will also start planning Taiwan's own CBAM.

Table 1. Carbon Price (in NTD) Calculation by Taiwan Ministry of Environment

Emissions (Metric Tons of CO2e/Year)	No Carbon Reduction (NTD 300/Ton)	NTD 100/Ton for Those Submitting a Reduction Plan (Up to Technical Par)		NTD 50/Ton for Those Submitting a Reduction Plan (Up to Industry Par)	
		Non-High-Carbon-Leaking Industry	Emissions Adjustment for High-Carbon-Leaking Industry	Non-High-Carbon-Leaking Industry	Emissions Adjustment for High-Carbon-Leaking Industry
10 million	2.9925 billion	997.5 million	200 million	498.75 million	100 million
1 million	292.5 million	97.5 million	20 million	48.75 million	10 million
100 thousand	22.5 million	7.5 million	2 million	3.75 million	1 million
50 thousand	7.5 million	2.5 million	1 million	1.25 million	500 thousand

According to the calculation (**Table 1**) by the Ministry, a company at an annual emissions level of 10 million tons of CO2e with no carbon reduction measures will be charged a carbon price of NTD 300 per ton, and deducting the exemption quota (25,000 metric tons which translate to a deductible value of NTD 7.5 million), the company will eventually pay NTD 2.9925 billion. For a non-high-carbon-leaking company which has submitted an independent reduction plan that meets the designated reduction targets (up to technical par), a preferential rate (NTD 100 per ton) can be applied, and the carbon price is reduced to NTD 997.5 million, just one-third of the price for companies without carbon reduction measures. Going further, by choosing the industry-specific target (up to industry par, namely the highest in international standards) an even lower price rate of NTD 50 per ton can be applied, leading to a carbon price down to NTD 498.75 million. For high-carbon-leaking industries such as steel and cement, the price is calculated as follows: Emissions x Emission Adjustment Coefficient Value x Preferential Rate. The emission adjustment coefficient values will be 0.2, 0.4, and 0.6 respectively in the first to third phase, gradually going downward. For a non-high-carbon-leaking company with annual emissions of 10 million tons of CO2e, by submitting an independent reduction plan that meets the specified reduction targets (up to technical par), a preferential rate of NTD 100 per ton can be applied, and the carbon price is down to NTD 200 million (10 million x 0.2 x NTD 100= NTD 2 million). By choosing the industry-specific target (up to industry par), a preferential rate of NTD 50 per ton can be applied, and the carbon price is down to NTD 100 million (10 million x 0.2 x NTD 50= NTD 1 million).

Taiwan CSC's Steel Billet Carbon Emission Now Lower than CBAM Default Value

Taiwan CSC has been implementing carbon reduction, green energy and energy resource recycling and seeing visible results. The default value of carbon emissions per ton of steel billets under CBAM in the pilot phase is 2.21 tons. Taiwan CSC's value is 1.86 tons, 15% lower than the default value.Between 2011 and 2020, Taiwan CSC completed a total of 1,182 carbon reduction projects, with a cumulative annual carbon reduction of 1.45 million tons, accounting for approximately 6.5% of Taiwan CSC's total annual carbon emissions, which translates to an average annual carbon reduction of 0.65%. Between 2021 and 2023, another 682 carbon reduction projects were completed, including improving heat recovery in the manufacturing process, improving energy efficiency, replacing old equipment, introducing AI technology, and reducing energy consumption. This amounts to an annual carbon reduction of 1.27 million tons, with an annual reduction rate of 1.93%, 2.9 times the past average.

Vietnam to Run Carbon Market Pilot Program from 2025

Vietnam plans to pilot a carbon market from 2025 to 2028. However, while it expands infrastructure and allows domestic companies to adopt and adapt to carbon credit transactions, it will not open transactions with foreign companies and entities for the time being. Vietnam is accelerating the development of its carbon market and setting emission quotas for the electricity, steel and cement industries from 2025. Relevant measures are intended to help high-carbon emitting industries cope with the challenges of the EU CBAM and improve the regulatory support for the implementation of Article 6 of the Paris Climate Agreement.However, during the three-year trial period, except for transactions under existing international contracts, carbon transaction between the Vietnamese market and international parties will be restricted. Vietnam's goal is to fully activate the domestic carbon market by the end of 2029. Before that, it will gradually explore potential connections with the global market. During the pilot phase, approximately 200 facilities are expected to gain emission quotas, accounting for approximately 45% of Vietnam's total carbon emissions. The plan outlines that power plants, steel plants and cement production facilities are included in the pilot scope and will receive emission quotas for 2025 and 2026 distributed by the government. Relevant facilities and enterprises must formulate and implement emission reduction strategies in accordance with regulations to meet the emissions allowed by the quotas. The EU has become Vietnam's largest steel export destination, accounting for 33.6% of Vietnam's overall steel exports.

South Africa Remains Underprepared for CBAM

South Africa is concerned about how to reduce carbon emissions and comply with international standards. Experts speculate that by 2030, South Africa's GDP may decrease by about 0.3% as a result of CBAM. South African International Fiscal Association (IFA) explained the urgency of CBAM to the press. Johann Hattingh, IFA consultant and professor of international tax law at the University of Cape Town, said that the EU has completed preparations in the CBAM transition period. South African exporters have just over a year left to cope with it. As South Africa has an intensive energy industry and it is subject to one of the lowest carbon tax rates in the world, local exporters must speed up their preparations. According to CBAM regulations, from January 2026, South African importers may face paying fines for greenhouse gas emissions from their products. The EU plans to expand the list of target industries in 2030. South Africa is one of the 15 countries most impacted by CBAM, among China, Brazil, India and other countries. Seutame Maimele, an economist at Trade and Industrial Policy Strategy, TIPS, pointed out that with the CBAM Q4 report released at the end of October, South Africa needs to establish a complete "Monitoring, Reporting, and Verification (MRV)" system as soon as possible. However, the verification process is expensive and must rely on international consultants who would charge quite a lot to provide regulation-compliant ESG reports. If South Africa companies need to develop their own MRV systems, it could at least take 5 years by estimate.

INDUSTRY DEVELOPMENT

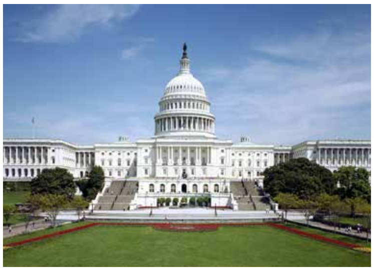
Taiwanese Fasteners Exhibit Signs of Regaining Competitiveness as Pressure Weighs on China

Taiwan's fastener export weight and price have dropped as a result of China's export of low-priced fasteners, but recently there have been signs of recovery. According to customs statistics, Taiwan exported 101,000 tons of fasteners in September, down 19.4% from 127,000 tons in August but a slight increase from less than 100,000 tons in the same month last year. The United States, accounting for 46% of Taiwanese fastener exports, is the largest destination for Taiwanese fasteners. The total weight of Taiwanese fasteners exported to the United States in September was 47,000 tons, a slight decrease of 0.31% compared with the same month last year; exports to the 27 EU countries and UK amounted to 31,862 tons, an annual increase of 14.10%; however, exports to ASEAN decreased by 10.89% annually. China previously leveraged its low-price to grab orders, but as the United States imposed a 25% high tax rate on Chinese steel and aluminum, China greatly reduced the amount of exports to the United States. In September, Chinese fastener exports to the United States dropped 16.17%. Compared to its exports to the EU which increased 17.74% and its exports to ASEAN which increased 4.7%, Chinese exports to the United States appear weak. However, Taiwan's current fastener export unit price, at USD 3.53/kg, is still nearly twice as expensive as China's, at USD 1.9/kg. Although China exports a higher volume of fasteners over Taiwan, more and more countries are seeking actions against Chinese low-priced steel products. According to sources, Indonesian steelmakers are vigorously asking the government to take action on China's dumping of low-priced steel products. China's low-priced fasteners will still face considerable challenges in the future.

EU Announces Launch of an Anti-dumping Investigation into Headless Screws Imported from China

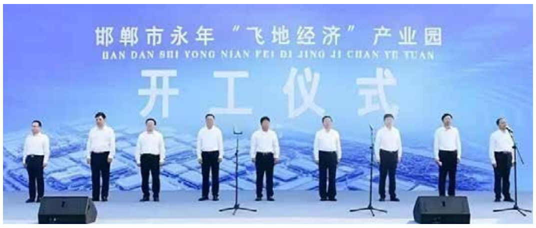
The European Commission received a domestic application on September 2 claiming that the headless screws imported from China cause injury to the EU industries. After a preliminary review of relevant evidence, the European Commission believed that the evidence submitted by the applicant was sufficient to initiate an anti-dumping investigation, and announced the launch of the investigation on October 17. The EU tariff codes of the products under investigation are CN codes 7318 15 42 and 7318 15 48. The investigation period covers the range from July 1, 2020 to June 30 this year. The European Commission will publish regulations to instruct the customs authorities of member states to implement import registration of headless screws imported from China in the early stages of investigation. The investigation for this case is expected to be completed within one year from the date of announcement, with a maximum of 14 months. For detailed information, please download it from the EU Official Journal website at https://eur-lex.europa.eu/eli/C/2024/ 6209/oj

U.S. Makes Definitive Decision to Impose Additional Tariffs on Chinese Products, Increasing 100% on EVs



The U.S. government decided on September 13 to significantly increase import tariffs on Chinese products, with some tariffs taking effect on September 27. In addition to imposing a 100% tariff on Chinese EVs, the U.S. will also impose a 50% tariff on Chinese solar cells and a 25% tariff on Chinese steel, aluminum, EV batteries and critical minerals. Meanwhile, the U.S. has increased import tariffs on Chinese semiconductors by 50%. This new tax rate will take effect in January 2025. Two new categories have been added to the semiconductor category: polycrystalline silicon and silicon wafers used in solar panels. According to the Chinese Ministry of Commerce, the Office of the United States Trade Representative previously solicited public comments on the results of the tariff review. Most of the opinions opposed the imposition of additional tariffs. The Ministry urged the U.S. to immediately cancel all additional tariffs on China.

An Enclave Economy Industrial Park Starts Construction in Yongnian, Handan



The industrial park began construction on September 29. This is a major step to promote the transformation and upgrade of the local fastener industry. The park focuses on high-precision, high-strength fasteners and other metal products, striving to build an international smart manufacturing base for high-end fasteners. At present, there are 6 projects under construction, including Hebei Goodfix Industrial's export industrial park, Hebei Yunchang Fastener Manufacturing's high-end special wind power anchors, Uniexpv Technology's shared factory of photovoltaic brackets, Hebei Tuofa Telecommunication And Electric Equipment Manufacturing's ultra-high voltage power transmission and transformation device materials, Jiancangmeng (Jiangsu) Technology's warehousing and sales center, smart logistics and shared production center, involving the R&D and production of high-end fasteners, smart logistics, warehousing and export, shared facilities, etc., to create a new benchmark for the fastener industry.

COMPANIES DEVELOPMENT

Simpson Strong-Tie Promotes Ron Gaines to Senior Vice President of North American Sales

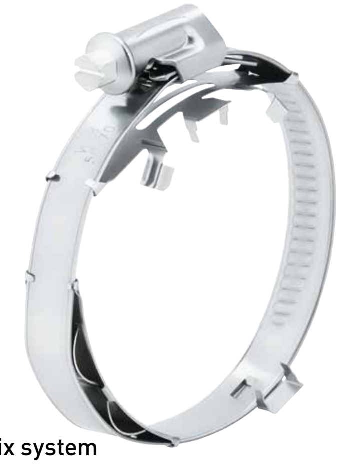
Simpson Strong-Tie, the leader in engineered structural connectors and building solutions, has elevated Ron Gaines to Senior Vice President of North American Sales. In his new position, Gaines will oversee sales across the company's five main regional branches as well as its National Retail/eBusiness, National Builder, Pro Supply, CRM and Training teams. A nearly 40-year veteran of the construction industry, Gaines began his career as a truss designer and salesperson in LBM. He joined Simpson Strong-Tie in 1996, spending 17 years in the field as a Territory Manager and then serving as a Regional Sales Manager, Connector Sales Manager, Regional Sales Manager for Building Technology and, most recently, Director of Sales for the Southeast US. "Ron has a broad range of skills and knowledge, and his vast experience will be invaluable in helping the leaders of our five North American branches drive sales at their respective locations," said Phil Burton, Executive Vice President, North America for Simpson Strong-Tie. "He has proven to have the experience and commitment necessary to lead our efforts to grow sales and market presence alongside our branch and home office teams. In addition, his focus has always been on developing his people, a mission he plans to continue in his new position."

Norma Group Defends Patented Joining Technology Against Chinese Competitor

NORMA Group, a market leader in engineered joining technology, has won a patent lawsuit it had filed against a Chinese competitor. The Supreme People's Court in Beijing ruled at the end of June 2024 that a product from Suzhou Shengnuo Connection Technology Co. Ltd ("Shengnuo") infringes on a NORMA Group patent for an advanced worm-drive hose clamp. The competitor has been prohibited from manufacturing or selling this clamp. Shengnuo must also pay damages to NORMA Group.

CEO Guido Grandi: "Our decades of experience and development expertise give us a competitive edge and represent key success factors. We use patents to protect our innovations and safeguard our intellectual property. The outcome of the patent infringement proceedings sought by us secures our current and future business with advanced joining technology."

NORMA Group's patented clamp is a worm-drive hose clamp for pre-positioning the clamp on a hose. This PreFix system consists of two prepositioner elements that are used to pre-position the clamp at the exact point on a hose where the connection to a spigot or pipe is to be closed later. This feature is used, for example, when hose systems are stored or transported before final assembly. Prepositioning also makes assembly in engine compartments and other confined spaces much easier. NORMA Group engineers developed the clamp to make assembly as simple, quick and safe as possible. NORMA Group has been offering the clamp under the name TORRO® PreFix System since 2007.



A TORRO hose clamp with PreFix system

Volkswagen Considers Closing German Plants to Cut Costs

Volkswagen is considering closing factories in Germany to further cut costs, an unprecedented move that would deal another blow to the German government. The potential measures target Volkswagen's main passenger car brands as well as other group entities. Specific measures also include trying to terminate the agreement reached between the company and the labor union to ensure employment stability until 2029. A closure would mark the first time Volkswagen has closed a factory in Germany in its 87-year history, and the company is expected to clash with powerful labor unions.

Hyundai Motor Plans to Achieve Annual Sales of 5.55 Million Vehicles in 2030, Including 2 Million EVs

To achieve annual sales of 5.55 million vehicles, the company plans to expand production facilities at its global operating bases and increase production capacity by 1 million vehicles. The company plans to invest a total of US$90.13 billion from 2024 to 2033 to actively support the implementation of this strategy. This is a 10.1% increase from Hyundai Motor's investment plan from 2023 to 2032.

An important focus of the new strategy is electric vehicles. Hyundai Motor aims to sell 2 million electric vehicles by 2030, accounting for approximately 36% of its total vehicle sales. Among them, it plans to sell 690,000 units in North America and 467,000 units in Europe.

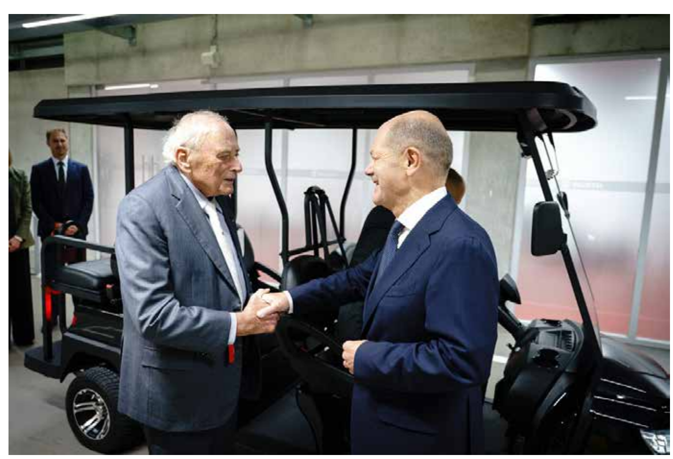
The company plans to improve its self-developed hybrid system to better meet the growing demand. The company also intends to expand its hybrid powertrains, previously found mainly in compact and midsize cars, to a wider range of models. The expansion will increase the number of hybrid models to 14 from the current 7. Hyundai Motor said it plans to increase sales of hybrid vehicles to 1.33 million units by 2028, significantly expanding its sales scale.

Geely Automobile to Establish Joint-Venture Automobile Assembly Plant in Vietnam

Vietnamese company Tasco issued a statement saying that Geely Automobile and Tasco signed an agreement to establish a joint venture for an automobile assembly plant in Taiping Province, Vietnam, with a total investment of approximately US$168 million, of which Geely Automobile will contribute 36%. The factory will have an annual production capacity of 75,000 vehicles in the first phase and will assemble models under the Lynk & Co and Geely Automobile brands, with a possibility to expand to other brands in the future. Construction of the new factory is expected to begin in the first half of 2025, with the first batch of models expected to be delivered in early 2026.

Reinhold Würth Celebrates 75 Years at Work

From a hardware wholesaler with two employees to a global market leader with more than 88,000 employees: This impressive development is the life's work of Professor Reinhold Würth, Chairman of the Supervisory Board of the Würth Group. On 1 October 2024, he celebrated his 75th work anniversary. Family and friends, numerous guests from the worlds of politics, business and the arts as well as the company management congratulated Professor Reinhold Würth during a ceremony at Carmen Würth Forum in the German town of Künzelsau. "I stand before you, immensely grateful, and in all modesty and humility, knowing that I would never have achieved the success we are seeing today without the hard work and the loyalty of these 88,000 people from all these different cultures, different backgrounds, with different nationalities, and different religions," said Professor Würth.



German Chancellor Olaf Scholz also offered his congratulations on this special occasion in Künzelsau: "It is thanks to entrepreneurs like Reinhold Würth that Germany has such a strong economy. His entrepreneurial courage and his tireless commitment to the company and its employees are impressive and deserve my respect and admiration. The company's success is exemplary of one of the most important pillars of Germany as a business location: More than three million family businesses create and maintain more than half of the jobs subject to social insurance," the Chancellor said in his speech. Some of Professor Würth's favorite pieces of music accompanied the ceremony. The program was rounded off with Albert Lortzing's opera.

ACQUISITIONS

Distribution Solutions Group's Operating Company, Gexpro Services, Enters into Agreement for Small, Highly Strategic Acquisition

Distribution Solutions Group, Inc. (DSG), a specialty distribution company, announced that its operating company Gexpro Services signed an agreement to acquire Tech-Component Resources Pte Ltd (TCR), a small and growing Southeast Asian distributor of fasteners, mechanical components, and other industrial products serving OEM customers and related applications. TCR is headquartered in Singapore, and its second location is in Malaysia.

"We are excited to partner with TCR to establish an operation for Gexpro Services in Southeast Asia," said Robert Connors, Chief Executive Officer of Gexpro Services. "This highly strategic acquisition allows Gexpro Services to expand our geographic footprint and pull through products and service capabilities to serve existing customers and continue to grow market share. In addition to better serving existing customers, we have identified new target customers and vertical markets to expand throughout Southeast Asia. Increasing our market potential with products and service offerings in these regions extends opportunities in critical end markets, including technology, semiconductor, industrial, and manufacturing.

We believe that Gexpro Services is well positioned to expand TCR's products and service capabilities for a broader and more diversified selection of offerings, creating a superior customer value proposition."

"We are thrilled to join Gexpro Services and DSG to accelerate our growth opportunities," said Koh Kee Hun, General Manager of TCR. "TCR customers, suppliers, and employees will benefit from partnering with Gexpro Services and its industry-leading global supply chain solutions. We look forward to having access to Gexpro Services' unique capabilities and expanding our available product and service offering and geographic reach into a broader distribution network."

Bryan King, CEO and Chairman of the Board of DSG added, "We're excited to partner with TCR and Koh Kee Hun to have a much stronger foothold in the semiconductor and other global manufacturing industries."

US LBM Acquires Texas Tool Traders

US LBM, a leading distributor of specialty building materials in the United States, has acquired Texas Tool Traders, a premier supplier of construction fasteners, tools and supplies to framing contractors, builders and remodelers across Texas. Texas Tool Traders dates to 1973, when the company opened its first retail location in Houston. Today, Texas Tool Traders operates 14 locations statewide, supporting customers in the Austin, Dallas-Fort Worth, San Antonio and Houston metro areas.

In addition to Texas Tool Traders, US LBM operates in the state under multiple brand names, including Texas Building Supply, which supplies a wide range of specialty building materials. "Texas Tool Traders has a well-earned reputation for quality and service, and we're pleased to welcome the team to US LBM," said US LBM President and CEO L.T. Gibson. "The addition of Texas Tool Traders expands our comprehensive product and service portfolio in Texas, enhancing the value we bring to builders in Texas' major metro markets, which continue to have high levels of new construction."

compiled by Fastener World