

East Asian Hand Tools Market: Statistics of Imports and Exports

東亞手工工具市場進出口統計



Introduction

The global sales of hand tools are expected to rise at a CAGR of 5.9% in next 10 years. East Asia and South Asia Pacific are the leading shareholders in the market due to massive labour force and applications of hand tools on field used by their workers. Europe and North America have high share in the global hand tools market as well. **As reported by Future Market Insights overall Asia Pacific is expected to hold a collective revenue share of 35% in the global market, by the end of 2032. The global sales of hand tools are projected to reach over USD15 billion by the end of this year with a stable long-term growth.**

The increase of do-it-yourself (DIY) activities globally has a significant impact on the hand tools market. Within the last two years the production of DIY tools increased as a result of the pandemic. The growth of hand tools' usage in the commercial end-use sector is the key driver for the demand of most of hand tools such as hammers, spanners, cutters, screw drivers, wrenches and other hand tools. The demand is forecast to rise as application in repair and maintenance work consistently grows. While the sales of hand tools like wrenches are expected to account for maximum demand supported by their vast applications by professional builders and craftsmen in the construction industry, the cost-effective product development of specific tools with advanced machinery is predicted to boost the market across diverse regions.

The hand tools market is fragmented as there are several players in the market split by type and by application. However, key players in the market own about 40% to 50% of the market share. These players mainly embrace new technologies and invest more in development of their distribution channels to maintain their market presence. Development of sales network and distribution channels significantly boost the market. To attract new sales channels in the reselling sector, manufacturers offer franchise stores with attractive benefits to the owners. Moderately Low capex with the comprehensive support from the manufacturers in terms of the operation, technical and sales are the key success factors for the resellers to set up and run their businesses in the hand tools market.

East Asian Market

East Asia is projected to record distinguished development in the global hand tools market within the next ten years. The market development is largely due to high demand for industrial and professional tools in this region. Moreover, the increasing number of local manufacturers in the market is leading to a healthy competitive landscape, supporting the market growth while the presence of a large number of well-established brands in the region keeps growing.

Other than DIY tools, the demand in the hand tools market is mainly driven by the needs of other industrial companies, and to a lesser extent by consumer spending. In the region, the profitability of hand tools manufacturers depends on technical expertise and efficiency of operations. Large companies have economies of scale in purchasing raw materials. The specialized nature and use of many products allow smaller companies to compete effectively.

In the region, China, Taiwan and Japan are the leaders in terms of the production of hand tools products. China and Taiwan are not only key exporters regionally, but also they are the top players in the global hand tools market. Japan and Korea are in the list of global exporters but way behind those two leaders. China owns the majority of the market shares as some of their products own almost half of the global exports market.

Hand-operated spanners and wrenches are fast growing products in this market. **In 2021, China exported about USD1.2 billion of the products (HS Code 8204) to the global market. The total value of exports last year was about USD3.7 billion, i.e., more than 30% of total exports value comes from China. Taiwan, the second largest exporter of hand operated spanners and wrenches, shipped more than USD809 million to other countries within the same year.** Both countries, in total, have

Chart 1. The Total Export Values of Hand-Operated Spanners and Wrenches (HS Code 8204) Within the Last Five Years

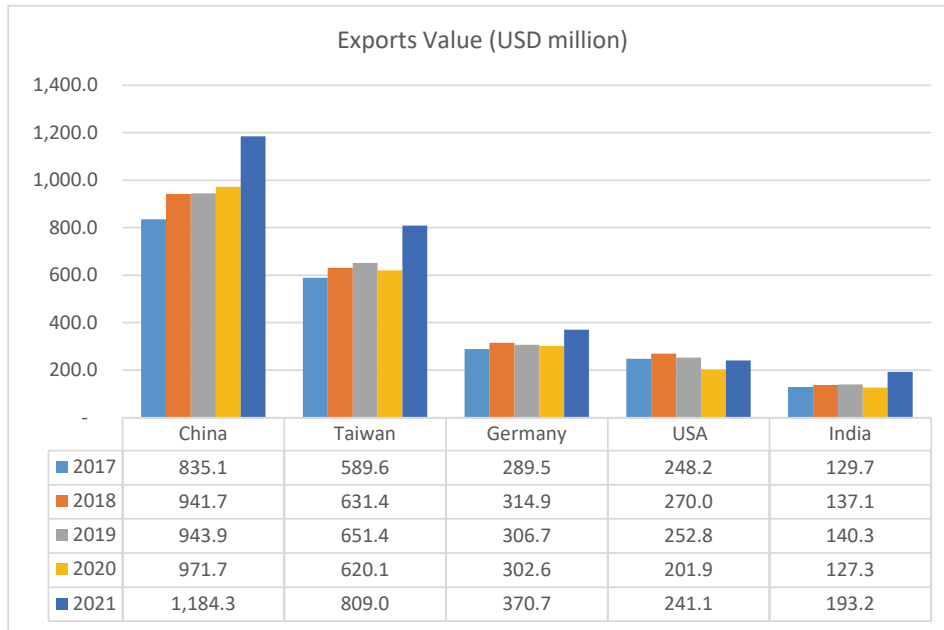


Chart 2. The Export Values of Hand Tools (HS Code 8205) Within the Last Five Years

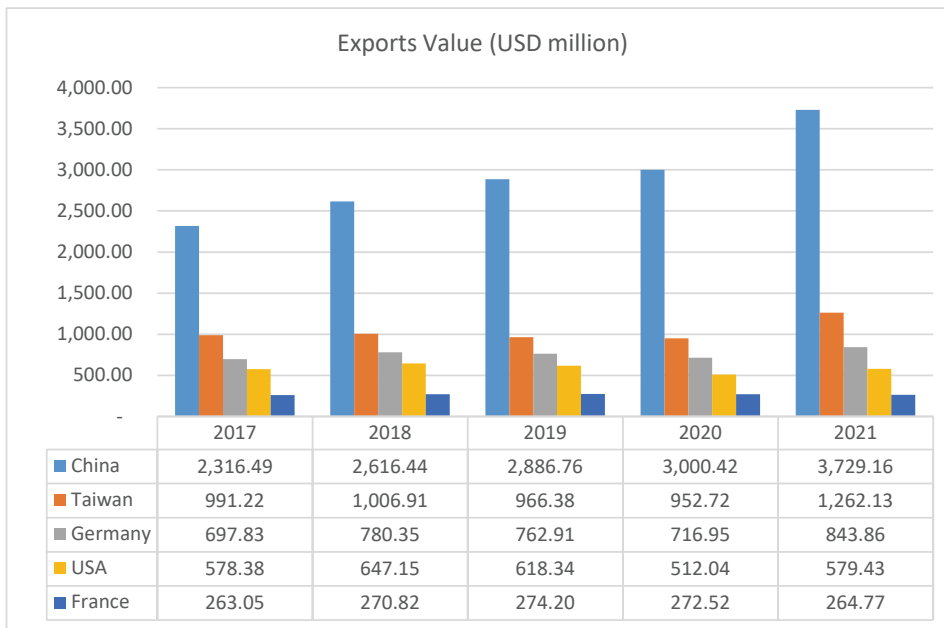


Table 1. Export Ranking of China, Taiwan, Japan, and Korea in Hand Tools (HS Code 8205) Market in 2021

| Country | Exports Ranking | Exports Value (USD Million) | Country | Imports Ranking | Imports Value (USD Million) |
|---------|-----------------|-----------------------------|---------|-----------------|-----------------------------|
| CHINA | 1 | 3,729.16 | JAPAN | 14 | 162.778 |
| TAIWAN | 2 | 1,262.13 | KOREA | 16 | 118.517 |
| JAPAN | 18 | 92.941 | CHINA | 20 | 106.152 |
| KOREA | 23 | 44.364 | TAIWAN | 32 | 63.419 |

Sources:

Hand Tools Market Positioned to Grow by 5.9% CAGR as Focus on DIY Activities Soars, by Future Market Insights
Trade statistics for international business development by ITC Trade Map

registered the value of exports slightly lower than USD2 billion which is about 55% of total exports value globally. Chart 1 exhibits the total export values of hand-operated spanners and wrenches within the last five years.

As stated above, the first two exporters, China and Taiwan, own more than 50% of the market shares. The figure is a good example to support East Asia as a market leader in the hand tools market.

There is another category of hand tools relevant to the fasteners under the HS Code 8205. This category of tools is again led by China and Taiwan. Both countries sold almost USD5 billion of hand tools in 2021 within the same category of products to their international clients. This amount is more than half of the total exports value in last year. The major destinations of the products are the US, Germany, UK, Russia, Canada, Australia and the Netherlands. Chart 2 shows the export values of this category of hand tools within the last five years.

In terms of the imports, for some of the hand tools China is still one of the major destinations in the global market, however, the value of imports by Chinese market is considerably smaller than its value of exports. In 2021, China imported about USD141 million of hand-operated spanners and wrenches and was ranked as the fifth largest importers in the global market. However, in other types of hand tools China has imported smaller amount of products compared with other players in the market. Table 1 shows the ranking of China, Taiwan and two other East Asian countries

in the hand tools market more specifically for hand tools categorised under HS Code 8205. Table 1 is based on the trade values in 2021.

In summary, in today's market, hardware and tools manufacturers have a better understanding of the importance of design in their productions. Adding new and innovative features in their tools help them capture greater market share. The players in the market have learnt that their tools must be robust, deliver consistent and reliable performance and designed in a way that they cater to the requirements of the selected applications. □