

Fastening Tool Trade Analysis of Argentina in 2019-2023

2019到2023年阿根廷緊固工具貿易分析

ARGENTINA

Introduction ///

Argentina, with a population of 45.8 million, boasts a GDP (PPP) of USD1.2 trillion, reflecting a 5.0% growth in 2023. Despite this positive figure, the country's 5-year average growth rate remains modest at 0.2%, with a per capita income of USD26,484. However, Argentina faces significant economic challenges, including an unemployment rate of 10.9% and a soaring inflation rate of 72.4%. Foreign Direct Investment (FDI) inflow reached USD15.1 billion, but the country grapples with a high public debt, currently at 84.7% of GDP. These economic indicators have played a crucial role in shaping Argentina's trade landscape, including its fastening tool industry.

Market Overview (2019-2023) ///

Argentina, a key player in South America's industrial sector, has witnessed notable fluctuations in its fastening tool trade over the past five years. The period from 2019 to 2023 was marked by several global and domestic challenges, including:

- Economic volatility and inflation in Argentina.
- The COVID-19 pandemic and its impact on trade and supply chains.
- Shifts in government policies on imports, tariffs, and industrial support.

Despite these challenges, **Argentina's fastening tool market remained resilient, though heavily reliant on imports due to limited domestic production capacity.**

Import Trends ///

Here is a year-by-year analysis followed by a comparison of the export of fastening tools to Argentina from different countries from 2019 to 2023, breaking down the total exports by country and share.

2019:

- Total exports to Argentina: USD82.46 million
- Top exporters: USA (25%), Brazil (17%), and China (13%)
- The USA was the largest exporter to Argentina, followed by Brazil and China.
- Other countries accounted for 36%, showing a significant contribution from smaller exporters.

In 2019, imports accounted for nearly 80% of the domestic demand.

2020:

- Total exports: USD49.98 million (a sharp drop compared to 2019)
- Top exporters: China (23%), USA (18%), and Brazil (18%)
- China overtook the USA as the largest exporter, and the export amounts from the USA and Brazil were almost equal.
- Other countries' share dropped to 31%.

As industrial activity slowed down in early 2020 due to COVID-19, imports decreased by 40% compared to 2019, reflecting the economic contraction and disrupted global supply chains.

2021:

- Total exports: USD88.39 million (a recovery from 2020)
- Top exporters: Brazil (23%), USA (19%), and China (18%)
- Brazil became the largest exporter in 2021, surpassing both the USA and China.
- The share of "Others" remained at 32%, similar to the previous year.

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In 2021, import volumes increased by 77% as industries resumed production. However, inflation and currency depreciation in Argentina made imports more expensive, putting pressure on manufacturers who relied on these tools.

2022:

- Total exports: USD118.10 million (a large increase compared to previous years)
- Top exporters: China (28%), USA (18%), and Brazil (16%)
- China regained the lead, with a notable increase in its share to 28%. The USA and Brazil both saw a slight decline in their shares,
- The “Others” category increased to 33%.

In 2022, import volumes increased by 34% as the world began to recover from the pandemic, Argentina's import levels rebounded.

2023:

- Total exports: USD97.61 million (a slight decline from 2022)
- Top exporters: USA (27%), China (19%), and Brazil (12%)
- The USA became the largest exporter again, overtaking China. Brazil's share dropped to 12%,
- Germany and Spain saw an increase in their share (7% each).
- The “Others” category dropped to 27%.

High inflation and political uncertainty caused a slowdown in 2023, with a projected 17% decrease in import volumes by the end of the year.

Comparative Analysis ///

Country-wise comparison:

- **USA dominated in 2019 and regained its leading position in 2023. Its share fluctuated between 18-27%.**
- **China had the largest share in 2020 and 2022 but saw a decline in 2023. Its contribution grew significantly over the years but faced stiff competition.**

- **Brazil was the top exporter in 2021 but saw a drop in 2022 and 2023. It has been consistently among the top three exporters, though its share reduced in recent years.**
- **Germany and Spain both maintained small shares, with slight growth in 2023. Spain's share doubled in 2023 from the previous year.**
- **Others: This category fluctuated, representing the diversity of smaller exporters. It decreased in 2023, reflecting a consolidation of market share among the leading exporters.**

Export Trends ///

The exports from Argentina in the fastening tools category show a much smaller scale compared to the imports. In 2021, Argentina exported USD7.34 million worth of fastening tools globally, followed by a decrease to USD6.18 million in 2022. However, there was a slight recovery in 2023, with exports reaching USD6.97 million. These export figures are significantly lower than Argentina's import values, indicating that **Argentina is a net importer of fastening tools, relying heavily on imports to meet its domestic demand.**

Comparing these export numbers to the import data from earlier, it's clear that Argentina imports much larger volumes of fastening tools, with imports surpassing USD97 million in 2023 alone. This imbalance between imports and exports suggests that **Argentina's domestic fastening tools production capacity is limited, and the country relies on international suppliers such as the USA, China, and Brazil to meet its needs.** While exports decreased from 2021 to 2022, they showed resilience in 2023 with a partial recovery, though they still trail far behind the country's import activity.

Conclusion ///

From 2019 to 2023, Argentina's fastening tool trade shows a clear reliance on imports, with annual import values ranging from USD49.98 million in 2020 to a peak of USD118.10 million in 2022. Major exporters like the USA, China, and Brazil have consistently dominated this market, although their positions fluctuated year to year. **Despite a drop in imports in 2020 due to the global pandemic, Argentina saw a strong recovery in 2021 and a significant surge in 2022, reflecting the growing demand from its domestic industries, particularly in construction and manufacturing.** However, this high dependence on imports, as evidenced by Argentina importing nearly USD97.61 million worth of fastening tools in 2023, highlights a gap in local production, limiting Argentina's ability to fulfill domestic demand with homegrown products.

On the export side, Argentina's performance has been relatively modest. Between 2021 and 2023, the country exported fastening tools worth between USD6.18 million and USD7.34 million annually—significantly lower than its import levels. This imbalance indicates that **Argentina's fastening tool industry remains underdeveloped compared to its larger industrial players.** As Argentina continues to grow its industrial base, there is a substantial opportunity to develop the local fastening tool manufacturing sector, reducing reliance on imports while expanding its export potential. If the industry focuses on innovation, improving manufacturing capabilities, and leveraging new technologies, Argentina could begin to close this trade gap and build a more self-sufficient, competitive position in the global fastening tool market over the next few years. ■

