

Malaysian Fastener Market 2014 馬來西亞扣件市場

Malaysian Market Information

Based on OECD's statistics, Malaysian GDP will grow up 5.1% annually during 2014 to 2018. In the fastener industry the statistics show a growth higher than Malaysian GDP. The Freedonia Group, an industrial market research firm, has expected a USD 82.9 billion worth of market for fastener production in 2016. They claim that the fastener market will rise by 5.2% annually during the period 2014-2018. In this report a 7.4% increase in the annual fastener demand has been predicted for Asia region in the same period.

World Policies at Malaysian Fastener Manufacturers' Service

1. Anti-dumping Duties

It should be noted that the other factor that helps Malaysian fastener producers to increase their factory capacity is the recent anti-dumping duties. With these duties European and American wholesalers which provide their fasteners through India and Thailand have to switch to Malaysian suppliers because Malaysian government supports these new rules.

The manager of one of the biggest fastener holdings in Malaysia believes that this new situation will bring 25% sales growth for Malaysian fastener producers, and it can also increase Malaysia's market share in Europe by 40% and Malaysia's market share in the U.S. by 15-20% for the fiscal year of 2014. Based on the "factfish" statistics (<http://www.factfish.com/statistic-country/malaysia/>), Malaysian export on different types of fasteners are:

Year	Malaysian Export Value of Fasteners (in USD)
2009	5,820,251
2010	9,205,416
2011	11,674,544
2012	5,452,259
2013	3,900,371
2014 (Prediction)	4,875,464

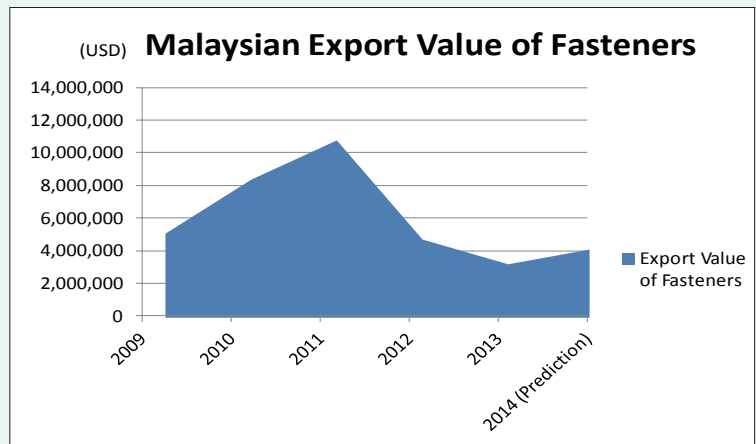
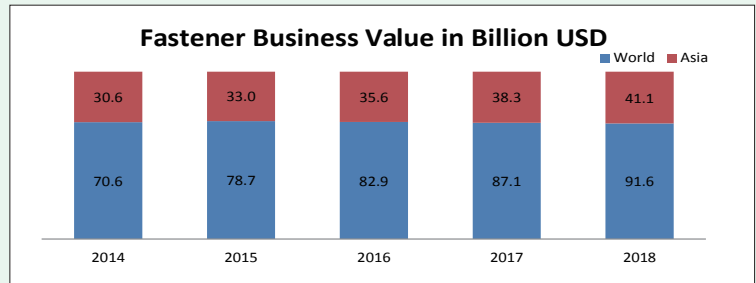
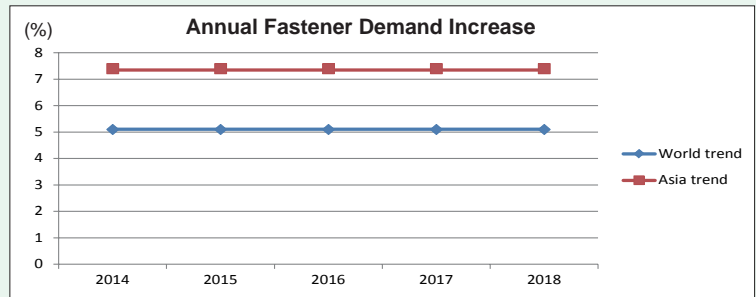
enjoying preferential tariffs into Taiwan, thus making their products more competitive. Specifically, Singaporean companies in the electronics, chemicals, pharmaceuticals, machinery, and processed food products sectors exporting to Taiwan will stand to benefit the most from the removal of tariffs. Singaporean companies that are importing goods originated from Taiwan will be able to benefit from the zero import duty.

Checking Singaporean industries clears the reality that this agreement is a giant opportunity for Malaysia. Because Singaporean market is not big enough for Taiwanese products, they will re-export to Malaysia, and based on other economic agreements between Malaysia and Singapore it can be expected that the imported goods through this way will be cheaper than those others directly imported to Malaysia.

On the other hand, Singaporean market does not have enough capacity to support Taiwanese market, and therefore it has to use Malaysian abilities, which is another opportunity for Malaysian manufacturers.

Last Word

OCED has reported that Malaysian mid-term developmental plan in industrial sectors is to chart a development towards a high-income nation by improving the productivity of SMEs. The information and Malaysian government's policies promise to boom Malaysian market at least within the current 5 years.



2. ASTEP (Agreement Between Singapore and the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu on Economic Partnership)

According to this agreement, Singapore will remove all tariffs on goods from Taiwan and Taiwan will remove 99.48% of its tariff lines within 15 years. What does it mean?

It means Singaporean companies exporting qualified goods under the ASTEP, with the supporting Declaration of Origin can benefit by