

# Threading and Tapping Machines Market Review: India and Mexico

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## Introduction

In this article we provide some market insights and trade statistics about threading and tapping machines in global fastener market with the focus on the Indian and Mexican markets. Such machines are mainly heavy, even non-portable, power-driven equipment enabling manufacturers to mass produce and shape numerous fasteners and metal components. The focus in this article is more on the machines labelled with the HS code of 45970 as a subsector of metalworking machines. In general, metalworking machines use a combination of techniques including forming, cutting, threading, tapping, or even physio-chemical processing to design, shape and manufacture several types of fasteners and components.

One of the major factors driving the growth of metalworking and fastener machines demand is the increasing need to enhance efficiency of manufacturing processes. Additionally, growing demand for reducing manufacturing costs has resulted in implementing of metalworking machines in various industries and sectors related to fasteners. Those machines provide ideal use of raw materials and minimizes wastage of raw materials due to errors. In addition to that, with the rising costs of labour across the world, those machines offer a viable solution to the manufacturing sector to reduce production costs with capabilities of working in any environment including high temperature, pressure, and processes. Regardless of vast benefits of those machines and their applications, growth of the machinery market faces a few obstacles pertaining to its high initial costs. The required capital investment could make it difficult for manufacturers to switch from traditional methods.

With the vast capabilities of metalworking machines, this market has become lucrative in recent years. In the last five years, private investment in this market has steadily improved in many countries. For instance, in the US, numerous players and manufacturers have invested heavily to design and develop such machinery and made this market worth \$35bn in 2017 and experienced solid revenue growth with 1.9% annual growth rate.

In 2017, in the metalworking machinery manufacturing market, India and other countries in the Asia Pacific region, in total, registered their names as the largest region with 52% of the global market share. The second largest region in this market was Western Europe accounting for around 25% market share. Mexico and other countries in the South America region was the smallest region accounting for around 1% market share.

## India

The exports of threading and tapping machines from Indian manufacturers have been drastically reduced in 2017 compared with their exports in 2016. In 2017, India exported about USD 780,000 machines while in 2016 exports value was about USD 1.6 million. Indian fastener manufacturers still purchase most of their required threading and tapping machines from overseas. As illustrated in the right chart, the value of imports in 2017 was slightly more than USD 5 million which is significantly higher than its exports value in the same year.

The value of imports registered by Japanese manufacturers alone was about USD 1.8 million in 2017 which is much higher than the value

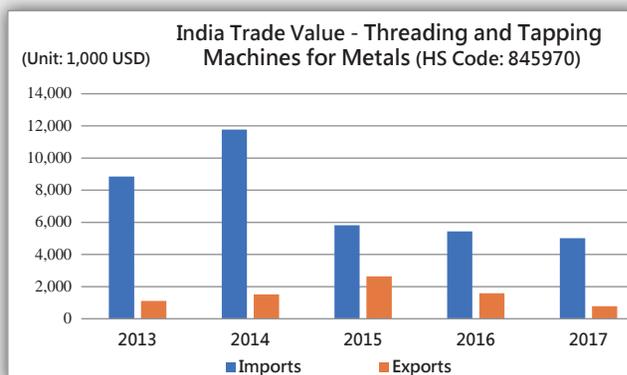


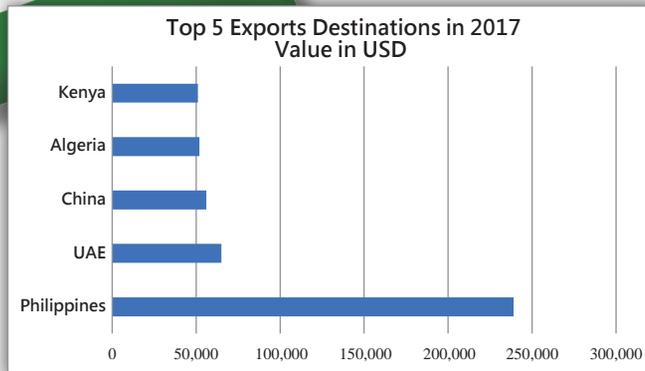
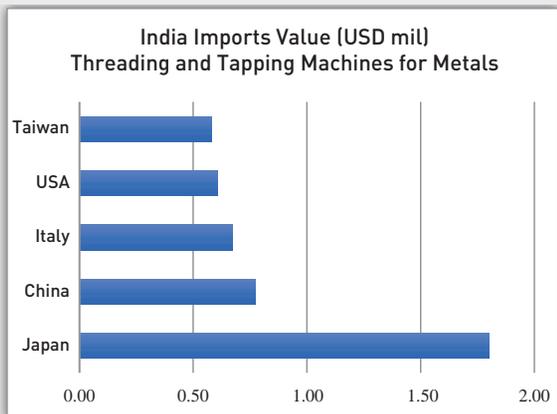
## Threading and Tapping Machines Market

There has been an increasing demand for threading and tapping machines which is further driving the growth of metalworking machines market. Manufacturers in this market conduct research and development activities to identify and cater to various unique manufacturing processes. With massive growth opportunities in countries including China, Germany, Canada, France, Italy, India, South Korea, Japan, United States, Mexico and Thailand, numerous players seek to develop and manufacture innovative machines.

As manufacturing industries expand their production capacity due to increasing use of their products, demand for threading and tapping machines, as one of the major subsets of the global metalworking machinery market, becomes steady for industry operators. Significantly, demand from the automotive and construction sectors has helped drive revenue growth in this market. This trend is projected to continue over the next five years and therefore industry revenue is expected to rise.

The international trade in this sector is considerable because of the high value of the products. In the last few years, global imports have been largely from Russia, Thailand, US, Malaysia, and China while the major exporters in the last five years are US, China, Korea, Japan, and Taiwan.

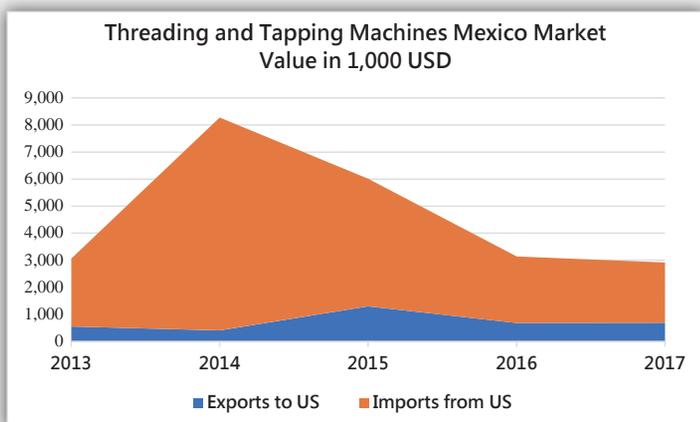




of exports from Indian manufacturers into the global market. In addition to Japan, China, Italy and US are ranked as the major machines exporters into the Indian market.

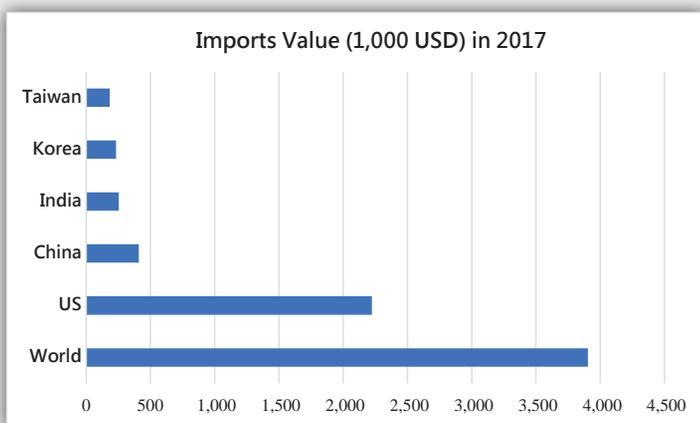
## Mexico

Despite the recent challenges between Mexico and US, Mexico is still a strategic market for U.S. manufacturers. As recorded in 2017 Mexico trade statistics, more than 50% of threading and tapping machines has been imported from US. The total value of imports in 2017 was about USD 4 million, the total imports from US manufacturers was about USD 2.2 million. Interestingly, almost 90% of total threading and tapping machines manufactured in Mexico has been shipped to US, however the value of exports is much lower than imports. The table below shows that the trade balance between US and Mexico in the last 5 years.



The exports destinations of threading and tapping machines from Mexican manufacturers are limited to few countries with the value of about USD 784,000 in 2017. This amount is very close to the total exports value of Indian exporters in this sector, USD 778,000, as stated earlier.

On the other hand, there are several exporters who ship their threading and tapping machines to Mexico other than US. China, India, Korea, and Taiwan are the other major exporters of threading and tapping machines into Mexican market. The chart below exhibits the value of imports by Mexican fastener manufacturers from these top 5 exporters.



The last word, the profitability of individual manufacturers like many other sectors in this market depends on the complexity of their product designs and their manufacturing efficiency. While, large companies have the resources to make complex, automated machinery, small companies have a chance to compete in this market successfully by making specialty products, replacement parts, or related accessories. ■

### Sources:

- Metalworking Machine Market: Global Industry Analysis and Forecast 2015 – 2021, Persistence Market Research.
- Metalworking Machinery Manufacturing - US Market Research Report, IBS World.
- Trade statistics for international business development, ITC Trade Map.