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European News

EU Imposes Safeguard Measures on Steel Products

On the 18th of July, the European Commission published Regulation 2018/2013, imposing provisional safeguarding measures on twenty-three categories of steel products, but not including fasteners. The measures include quotas for each category. When these quotas are exhausted a 25% tariff will be imposed on imports.

The regulation follows the initiation of a safeguard investigation on 26 categories of steel products on 26th March 2018, all of which were already subject to prior surveillance licensing. The Commission has identified 23 of the product categories for which it deems the situation as critical enough to warrant provisional measures. Fastener CN codes are not included in the list, although carbon steel and stainless steel wire rod and bar are included, which may have knock-on effects on fastener products produced within the EU, including threaded rod.

The provisional measures, which can remain in force for 200 days, entail the imposition of quotas for each of the product categories, irrespective of the originating country. The continuing investigation will consider whether quotas should be allocated by exporting country.

The regulation exempts the EEA member countries – Norway, Iceland and Liechtenstein – from the measures. Developing economies are also generally excluded. However, the Regulation Annex defines which developing countries are subject to the provisional measures and for which product categories. These include, amongst others, China, Brazil, India and Turkey.

All quotas are on a ‘first come first served’ basis and will be monitored daily by the Commission’s DG Taxud. Information on the quota used, unused and pending will be displayed on the DG Taxud website. Where the quotas are exhausted an “out of quota” tariff of 25% will be applied to imports.

The Commission’s preliminary conclusion was that the EU “steel industry is in a situation of threat of serious injury for the 23 product categories under assessment and that this situation is likely to develop into actual serious injury in the foreseeable future. Given the critical circumstances, it is considered that provisional safeguard measures should be taken in order to prevent damage to the EU steel industry which would be difficult to repair before the conclusion of the current investigation.”

The Commission identifies an increasing import trend to the EU prior to the United States applying Section 232 tariffs on steel imports. The imposition of those tariff further increased the potential for import growth as the result of product previously destined for the U.S. market being diverted to the EU market.

Strong Growth and Improved Margin for Bufab

Bufab Group reported first half 2018 net sales of SEK 1.925 billion (€181 million), an increase of 18% over the same period in 2017. Organic growth was 10%. EBITA rose 20% to SEK 204 million.

President and CEO, Jörgen Rosengren, commented: “The favourable performance that marked the beginning of the year continued during the second quarter. Solid growth at 19% was driven by acquisitions, increased market shares and favourable underlying growth, but also by positive calendar effects.”

Bufab’s International segment accelerated its earnings trend, with 25% growth achieved through strengthened market shares in most markets and successful acquisitions. Gross margin improved significantly due to currency effects and price increases that exceeded material-driven cost increases. Operating profit grew more than 50% as growth was not accompanied by a corresponding rise in operating expenses.

Bufab’s Swedish business, however, reported a poorer earnings trend during the second quarter. “Growth was good,” said Rosengren, “but the gross margin was lower than earlier in the year and in 2017. This means that we have not fully succeeded in offsetting the continued negative trend for the SEK and raw materials prices through price increases to customers.” Overall operating profit in Sweden declined, contributed to by a “too high” cost level, a development with which, said Rosengren, “we cannot be satisfied”.

Uncertainty regarding economic development had not yet impacted Bufab’s order intake. While satisfied with the quarter and half year, Jörgen Rosengren said Bufab was watchful for signs of a downturn but aimed to increase market share at a similar or faster rate than previously. He added, “We need to strengthen our gross margin through further price increases. In addition, we need to work to ensure that operating expenses do not increase further as a share of sales, despite the significant investments we are making in our "Leadership" programme. This requires comprehensive efficiency measures in the business in general.”

BUFAB

New MD at Bufab Hungary

András Szücs has been appointed as managing director of Bufab Hungary. András also has extensive experience within new business development, sales and customer relationship management. He has worked for Hilti Hungary for the past fifteen years: his last position was the marketing and engineering director.

András comments: “My first impression of Bufab, which really has impressed me, is that it is not just a large international and professional company, it is rather a large international and professional family. Bufab has a very explicit culture of entrepreneurship, strong teamwork and a way of thinking that always puts the customer in the focus point, which really appeals to me and the way I want to conduct business. Now I look forward to growing together with the great team of Bufab Hungary.”

Bufab Hungary is located in Budapest and is a supply chain partner providing C-parts and services to the Hungarian manufacturing industry. It aims to help its customers to reduce total cost and complexity, free up capital, achieve stable quality and deliveries, which boils down, says Bufab, “to a seamless supply chain, where the headache with C-parts is gone.”

SFS Sustains Good Growth Momentum

SFS Group reports good sales growth and expanded market positions during the first half of 2018. Group sales increased 9.9% to CHF 855.9 million (€760.8 million), and operating profit rose 4.6% compared to the adjusted previous year.

Organic growth came in at 7.1%; currency translation and changes in scope of consolidation had a 2.8% positive effect on reported sales growth. SFS noted that “high advance outlays, structural adaptions and increased raw material costs still pressured the operating profit”.

Healthy growth was maintained in SFS Engineered Components segment, with first half sales at CHF 473.2 million, a 10.5% increase year-on-year with organic growth at 7.6%. Earnings were pressured by high levels of advance outlays in preparation for future growth projects and increased raw material costs. The majority of the Group’s CHF 69.5 million capital expenditure, 44% higher than same period last year, was committed to this segment, which displays the highest return on capital employed. SFS expects margins to recover in the second half 2018, as costs are passed through to customers, which has taken longer than expected to achieve, and new products are launched.

Sales for the Fastening Systems segment were CHF 213 million, 12% higher than first half 2017. SFS says Fastening Systems continued to strengthen its market position, “amid a robust market environment, thanks to its offering of compelling products and services”. The segment reported EBIT of CHF 20.7 million, up 12.2% on first half 2017.

SFS notes significant progress for the construction division in flat roof solutions, hinge technology and fastening solutions for exterior cladding – the latter strengthened by the 2016 acquisition of Ncase Ltd. For the riveting division solid sales growth was broadly based, with solutions for automotive applications showing the fastest growth. “Considerable progress” was made in improving the division’s production profiles, although SFS noted that achieving full utilisation of the expanded production site at Thal in Germany had been a challenge due not least to the tight labour market in the region.

Following its increased stake to 51%, HECO was fully incorporated to the Group from 1st July, and “the growth and synergy potential and the core competencies of each partner are now being exploited even more effectively”.

The distribution & logistics segment, servicing the Swiss domestic market reported sales up 5.9% to CHF 169.7 million but sharper procurement costs continued to impact profits, with increased costs taking time to pass through to the market. Profits nevertheless rose 9.2% year-on-year to CHF 12.4 million.

Major Upgrade for British Steel Wire Rod Business

British Steel has announced the biggest single investment in its manufacturing operations for a decade, committing GB£50 million to a major upgrade of its wire rod business.

The investment will significantly improve the quality and range of wire rod produced at the company’s headquarters in Scunthorpe, enabling it to grow in current markets and enter new ones – inside and outside the UK.

The upgrade to the Wire Rod Mill will allow British Steel to offer a substantially wider range of sizes, up to 28mm, and to achieve tighter tolerances, as well as allowing for improvements in surface condition and micro structural properties. A new, advanced, wire rod line will be designed and installed in the current mill by Primetals Technologies. Work is scheduled to start this summer and the new operation is set to be commissioned in autumn 2019. The existing wire rod business will operate as normal throughout the installation. The Scunthorpe wire rod mill has only recently seen the opening of new laboratories ensuring it has world-class testing facilities.

The expenditure is in addition to the GB£120 million British Steel has already committed to capital projects during its first three years of business and comes eight months after it bought FNsteel, a premium wire rod manufacturer in the Netherlands.

Paul Martin, deputy CEO a British Steel, said: “This is a major investment in the future of our business, underpinning our commitment to providing customers with higher technical specifications of steel and a diverse, premium product range. Not only will this increase our ability to serve the domestic market, it will allow us to become a more competitive exporter and accelerate the growth of British Steel in line with our company strategy.”

He continued: “The mill upgrade will ensure the British Steel name remains synonymous with quality, innovation and product development. Our wire rod business has a growing order book and this investment will let us build on this by guaranteeing the tighter tolerances and improved surface qualities customers demand, particularly in the automotive sector.

British Steel was formed in June 2016 by Greybull Capital, when it acquired the Scunthorpe steel works from Tata Steel. The company is emphatically proud of its heritage, but just as passionate about building stronger futures for its employees, customers, suppliers and local communities. The steel works produces more than 2.8 million tonnes of steel annually, from which more than 1,450 different specifications of steel are manufactured and rolled into wire rod, sections, special profiles, rail, bloom and slab. British Steel employs 4,400 people in the UK.

SFS Decides on Successor for Distribution and Logistics

Iso Raunjak, currently head of central logistics, takes over from Josef Zünd as head of the SFS distribution and logistics segment on 1st January 2020.

After 49 successful years at SFS, Josef Zünd retires in March 2020. In the interests of early planning, the board of directors has chosen Iso Raunjak to succeed Josef Zünd to head the D&L segment. With Iso Raunjak, the SFS Group falls back on a highly experienced and long-term SFS manager who started his career at SFS in 1992. In his function as head of the distribution and logistics segment, Iso Rauniak will also become member of the Group executive board of the SFS Group AG on 1st January 2020.

Over the past 20 years, Josef Zünd considerably improved the positioning and growth of the distribution and logistics segment. Up to his retirement, Josef Zünd will remain head of distribution and logistics and will continue to manage segment strategy and organisation in close collaboration with his successor.

The board of directors and the Group executive board would like to thank Josef Zünd for his prominent and untiring efforts in building up the distribution and logistics business activities.

PennEngineering® Wins US$14 Million Patent Infringement Judgement

PennEngineering® has obtained a US$14 million judgment and permanent injunction against Dongguan Fenggang Pinconn Hardware Factory trading as 'Pinconn', based on Pinconn's counterfeiting and infringement of more than 12 PennEngineering patents and trademarks.

In addition to being permanently restrained from selling the infringing products and being ordered to remove the infringing content from its website, Pinconn was ordered to pay PennEngineering US$14 million for statutory damages. The final order has been recorded with Customs to prevent importation to the US of Pinconn products.

The original complaint was filed against Pinconn on 13th October 13 2017, in response to Pinconn's scheduled appearance at the Las Vegas International Fasteners Expo, where PennEngineering enforced against Pinconn a Preliminary Injunction Order issued by the US District Court for the eastern district of Pennsylvania, resulting in the removal of all of Pinconn's signage, advertising materials, and infringing product at its trade show booth. The preliminary injunction also forced Pinconn to abandon its booth at the 2017 Design & Manufacturing Expo in Minneapolis.

PennEngineering says, as in the past, that it will continue to enforce its intellectual property rights worldwide.

New COO Appointed by NORMA Group SE

The supervisory board of NORMA Group SE has appointed Dr Friedrich Klein as the company's new chief operating officer.

Dr Klein now manages the business operations of NORMA Group SE together with CEO Bernd Kleinhens and CFO Dr Michael Schneider. He assumed his new role on 1st October 1st 2018.

Dr Friedrich Klein has many years of experience and expertise in the automotive sector. He joined NORMA Group from Schaeffler Technologies AG & Co KG, a globally active automotive and industrial supplier. As director of the bearing and components technologies division, Dr Klein was responsible for the global development and production of rolling bearings. He was also responsible for restructuring the global production network and expanding production services.

"We are delighted that Dr Friedrich Klein has been appointed COO of NORMA Group SE. The supervisory board is confident that Dr Klein will continue the company's successful growth strategy with his colleagues on the management board. Dr Klein has in-depth industry knowledge in NORMA Group's fields of operation along with extensive industry experience," says Lars Magnus Berg, chairman of the supervisory board of NORMA Group SE.

Würth Group on Track for Another Record Year

Würth Group reported first half 2018 sales of 6.8 billion, representing year-on-year growth of 6.5% at actual exchange rates. Adjusted for exchange rates, sales growth was 9.0%. The Group operating result increased to €400 million.

Würth companies in Germany increased sales by 7.9% to €2.9 billion. Sales growth for the rest of the world was 5.4%. Eastern and southern Europe business continued to develop very well, reporting double digit sales growth. Robert Friedmann, chairman of the central managing board of the Würth Group commented: "We still expect that we will be able to report sales and operating result records again in 2018, even if the Business Climate Index has dropped slightly in June and economic forecasts are only cautiously optimistic." The Group operating result improved by 19.4% to €400 million in the first half of the year. "We are satisfied with this above-average increase in profits," Friedmann said.

In June, Adolf Würth GmbH & Co KG celebrated the groundbreaking for its new freight hub in the Gewerbepark Hohenlohe industrial area next to the A6 highway, which is targeted at avoiding split deliveries and consolidating orders to make sure customers receive only one shipment in the future. Adolf Würth GmbH & Co KG will continue to develop its range of services to expand the partnership with its customers even further. Around €73 million will be invested in the new European transport hub located on a 50,000m² site, in which 20% of all orders handled will be shipped directly to other European countries.

Two years after opening its highly modern logistics centre and sample factory, Würth Elektronik eiSos is investing another €25 million in its site in Waldenburg, doubling its existing storage, picking and logistics spaces with the construction of 4,000m² of logistics area and a 1,300m² fully automated shuttle warehouse. In Italy, the Würth Electrical Wholesale Group (W.EG) has expanded its footprint by entering into a strategic partnership (controlling interest) with MEB Srl, one of the leading electrical wholesalers in northern Italy, located in Schio, Veneto. The transaction is subject to the approval of anti-trust authorities.

The number of Würth employees increased by 1,975 to 76,134 in the first half of 2018, of which 23,305 are in Germany. The Group currently has 32,898 sales force employees on the payroll.

Two Spirol Facilities Achieve IATF 16949:2016

SPIROL International Corporation, a global manufacturer of engineered fasteners, shims and installation equipment, announced that two of its manufacturing facilities have recently been certified to IATF 16949:2016.

SPIROL Industries in Windsor, Ontario, Canada, manufactures roll formed tubular products including dowel bushings, spring dowels, ground hollow dowels, compression limiters and spacers. SPIROL International Corp in Stow, Ohio, manufactures disc springs, precision shims, custom washers and spacers. In addition to IATF 16949, SPIROL Ohio also holds AS9100 Rev D (aerospace) and NADCAP (aerospace and defense) quality system certifications.

IATF 16949 (which stands for International Automotive Task Force) supersedes ISO/TS 16949, the previous technical specification for the quality management systems of the automotive sector. The more stringent IATF 16949 is focused on achieving best practices when designing, developing, manufacturing, installing or servicing automotive products. The updated standard puts extra emphasis on risk-based thinking, process control and product traceability to ensure the highest quality and on time delivery for every manufactured lot and shipment. "These industry-leading quality system certifications represent the ongoing commitment by the entire organisation at SPIROL to achieve high quality, high value, flexible and responsive manufacturing and customer service." said Ken Hagan, division president at SPIROL.

Industry and Patronage

by Marco A. Guerritore, Editor in Chief of Italian Fastener Magazine

The Agrati entrepreneurial dynasty has a long history. In fact, according to the chronicles, the family had been managing a small ironworking business in Capriano, a hamlet of the Municipality of Briosco, bordering with Veduggio con Colzano, since 1700. But the turning point came in 1939 when the small business became an industrial factory under the guidance of the three Agrati brothers: Carlo, Peppino and Luigi. It started with the production of hinges, locks and small metal parts, before moving onto the manufacturing of saddles for bicycles and mopeds, and then the production of screws, bolts and more generally mechanical fasteners.

The Agrati company developed and strengthened over the years until it reached its current size, becoming a world leader in special fasteners, thanks to the commitment and wisdom of the three founding brothers.

In particular, most recently, it was Carlo who stood firmly at the helm of Agrati, steering it with expertise and entrepreneurial ability.

After his death on 5 September 1995, the company's management passed into the hands of his brother Luigi who has always been able to rely on the consolidated, intelligent and effective management of his nephews, Carlo's sons. Today the weight and responsibility of this large multinational company rests on the professionalism of Carlo's son, Cesare.

However, the interests of Carlo, but especially those of Peppino and Luigi were not only in managing their business but also in other fields, such as Art, particularly the expressionism of the early twentieth century.

Their passion was so deeply felt that it gave rise to an extremely valued and prestigious collection of artworks.

The Agrati family had a relationship based on dialogue and friendship with many Italian and foreign artists and this allowed them to add to the collection, which today includes masterpieces by American artists such as Andy Warhol, Jean-Michel Basquiat, Robert Rauschenberg and Christo as well as some of the major Italian artists including Lucio Fontana, Piero Manzoni, Mario Schifani, Alberto Burri, and Fausto Melotti.

The collection ranges from Informalism to Pop Art, from Arte Povera to Conceptual Art up to the developments of the 1980s. It passes through and creates links with the movements that have left their mark on the course of art, not only in Italy, but throughout the world, in the second half of the twentieth century.

Today the collection of Luigi and Peppino Agrati consists of more than 500 artworks that have been collected since the end of the sixties.

After the death of Peppino, his brother Luigi continued to manage the collection, and with his wife Mariuccia, decided to donate it to Intesa Sanpaolo Bank, making a landmark contribution to the international dimension of the Bank's artistic patrimony, exhibited in the Italian Gallerie of Piazza Scala in Milan.

It was a gesture of great nobility and magnanimity towards Art and the city of Milan and its territory.

Carlo, Peppino and Luigi, three enlightened entrepreneurs whose interests ranged successfully from entrepreneurship to Art. But if you think about it, there could be a link because after all organising and producing fasteners can also be considered an art.

Brazilian News

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Incorrect Application of Rivet on Pivot was the Cause of Volvo XC40 Recall

At the end of August Volvo started a recall involving 207 units of XC40 SUV recently imported into Brazil. The automaker's report said it is necessary to make repairs to the brake system due to incorrect application of the rivet applied to the pivot. There is a risk of brake pedal moving unexpectedly and compromising drivers' actions in motion. The cars involved in this recall were produced between July 6 and August 9, 2018. If necessary, the service requires one hour.

Tiguan Allspace Recalled for Low Torque of Nut

The SUV Tiguan Allspace manufactured by Volkswagen between 2016 and 2018 went through a recall started in July for maintenance on the front suspension. The German automaker found the possibility of low torque (tightening) on the nut that secures the pivot of the front suspension, which implies the risk of loosening and possibility of accidents.

Sergio Milatias and Yoshio Enomoto

Senafor Honors Revista do Parafuso and Enomoto

The International Annual Forging Congress (Senafor) honored Revista do Parafuso (The Fastener Brazil Magazine) and Enomoto Machine Co., Ltd. (Japan) from the forging press industry for their 10 years of participation to the event. During the opening ceremony held on October 4, 2018, at Continental Hotel, in Porto Alegre City, Rio Grande do Sul State, the Senafor president, Dr-Ing. Lírio Schaeffer handed over a commemorative metal plate to Mr. Sergio Milatias and Mr. Yoshio Enomoto, respectively CEOs from the honored companies.