



# The Analysis of China's Fastener Import and Export Amid the Covid-19

## China Fastener Industry Gets Bigger Because of Covid-19:

Read the following news published on 12 of August 2020 in a fastener press.

"More than 200 enterprises which engage in fastener manufacturing, equipment and mould, were participating in this online exhibition. Over 1,000 international buyers have also registered from 35 countries and regions including the United States, the UK, Germany, Italy, France, Brazil, Japan, Turkey, and Australia. During the online exhibition, a lot of activities will be held such as face-to-face purchase meetings, keynote speeches, cloud factory visits, and live broadcasts. In particular the "1 on 1" purchase meeting will reduce the impact from not being able to participate in offline exhibitions this year due to Covid-19. It is foreseeable that this will be a new industry cloud exhibition integrating exhibition, negotiation, communication and learning."

Numbers also prove that China fastener industry has recovered.

### The Import Sector

The right table shows that

- China's import was zero in the first 2 months of 2020 because of its quarantine rule.
- The value of imported fasteners has reached 237.7 million USD in the 3rd month of 2020, which is 3% higher than the same month of 2019.
- The value of imported fasteners has decreased in the 4th and 5th months of 2020 because the "Virus" has spread to other countries and they adopted the quarantine rules.
- And at least in the 6th and 7th months of 2020 the value of imported fasteners went back to normal.

Import from	Jan. 2019	Feb. 2019	Mar. 2019	Apr. 2019	May 2019	Jun. 2019	Jul. 2019
World	258,810	185,237	231,008	242,947	227,091	223,266	241,065
	Jan. 2020	Feb. 2020	Mar. 2020	Apr. 2020	May 2020	Jun. 2020	Jul. 2020
			237,656	226,365	187,613	227,758	249,903
<b>Same Period Growth</b>			<b>3%</b>	<b>-7%</b>	<b>-17%</b>	<b>2%</b>	<b>4%</b>

Export to	Jan. 2019	Feb. 2019	Mar. 2019	Apr. 2019	May 2019	Jun. 2019	Jul. 2019
World	609,247	333,945	480,178	505,841	621,853	550,142	584,107
	Jan. 2020	Feb. 2020	Mar. 2020	Apr. 2020	May 2020	Jun. 2020	Jul. 2020
			555,349	579,616	598,104	816,146	664,716
<b>Same Period Growth</b>			<b>16%</b>	<b>15%</b>	<b>-4%</b>	<b>48%</b>	<b>14%</b>

### The Export Sector

In terms of exported fasteners, after the quarantine rules were over, China started to export its fasteners and its value showed a tangible increase in comparison with last year, except for August.

The value of China's exported fasteners increased by an average of 17.8% per month!

## The Fastener Industry in China Has Recovered Very Fast!

Based on the above statistics, it seems that the fastener industry is one of the fastest recovering industries in China. It was able to adapt its supply chain in a highly flexible manner, otherwise, it couldn't reach the growth of 17% per month in comparison with 2019.

China now has the largest online market in the world. Quarantine measures imposed by the Chinese government have given a further boost towards online commerce; and therefore, by focusing away from offline to online channels, e-commerce, and smaller stores can increase their recovery process faster. (Note that transformation from offline to online would need some special process, which should be analysed in a separate article).



Fast recovery after a crisis needs an adaptive, bottom-up approach to complement top-down efforts. Rapid, coordinated responses require top-down leadership. But adapting to unpredictable changes, with distinct dynamics in different communities, also requires decentralized initiative-taking. Based on China's abilities in the industry sector, its fastener manufacturers could effectively balance these two approaches. The above statistics can prove it.

It is certain that China will see greater trends towards omni- and multi-channel concepts. Existing business models will be replaced by digital services alternatively, both new and existing brands will create completely new business models (Michael Brandtner, Ries Global Partner, March 2020). The agile Chinese fastener industry should rapidly re-deploy sales efforts to new channels both in B2C and B2B enterprises, then it can use the weaknesses of its competitors in other crisis-stricken countries for faster growth.

**The Key Points that Chinese Fastener Producers Should Pay Attention to:**

- Look for opportunities amid adversity. While the crisis in China impacted all sectors to some extent, the demand increased in many specific areas. These included B2C e-commerce (especially door-to-door models), B2B e-commerce, remote meeting services, social media, hygiene products, health insurance, and other product groups. Some Chinese players mobilized rapidly to address these needs.
- Adapt your recovery strategy by location. Regional public health policies, disease dynamics, and administrative guidance will create recovery dynamics that vary by location. This requires a flexible approach.
- Rapidly innovate around new needs. Beyond rebalancing your product portfolio, new customer needs also create opportunities for innovation. When threatened by a crisis, many companies will be focused on defensive moves, but some Chinese companies boldly innovated around emerging opportunities.
- Spot new consumption habits being formed. Some shifts will likely persist beyond the crisis, and many sectors will remerge to new market realities in China and elsewhere. Indeed, the SARS crisis is often credited with accelerating the adoption of e-commerce in China. It is too early to say for sure which new habits will stick in the long run, but some strong possibilities include a leap from offline to online trading, and an increase in B2B digital channels.

**Last Word**

It is clear that the era after Covid-19 is an era that some of the offline customers go to the online channels; and therefore, if fastener manufacturers learn online trading, they can grow faster than they did previously, because step-by-step craftsmen understand how easy and convenient online trade is.

The key point of online trading is to open an online sales channel but with different names of your physical activity, and yes, you read it truly, with different brand names. To look to fastener manufacturers' websites, most of them have online sales, too, but the main website in China for selling fasteners is Alibaba, why? Because in the platform, consumers can check different suppliers with different specifications, which is impossible on these companies' online sales channels.

Fastener manufacturers, who'd like to work online, should pay attention to narrowing down their focus based on this concept; and therefore, they could gain two advantages:

- 1) They could promote their stores as a "specialist" in a few certain categories.
- 2) The stores could have a greater selection of a narrower product line. ■



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