

TFTA Agreed to Host International Fastener Show Taiwan 2015 in Kaohsiung

Last year Taiwan Fastener Trading Association (TFTA) held the first edition of International Fastener Show Tainan, Taiwan (known as "IFST"), which gained public recognition and ended with a success. Commenting on the 3rd edition of Taiwan International Fastener Show this year, TFTA new Chairman Bill Chen thinks that the venue and scale was larger than the previous edition, which indicated the significance of Taiwan in the international fastener market. In order to correspond to expectations from the industry, he announced that the 2nd edition of IFST would be given again in June 2015, as a way to boost the fastener export of Taiwan.

Having no intention of giving the show during the same dates for Fastener Fair Stuttgart 2015 (in March & April) and Fastener Expo Shanghai (in May & June), Chen pointed out IFST would be slated to be given in June, so that global buyers could arrange to attend the show and visit other Asian countries concurrently. On the other hand, considering Tainan and Kaohsiung both being the heartlands of fastener manufacturing in Taiwan, directors of TFTA have made the agreement in a meeting on April 28 to host the show in Kaohsiung. More info about the show will be soon updated on the official website of TFTA (<http://www.tfta.org/>) or on the website of "IFST" (<http://www.taiwan-fastenershowtainan.com>).



TFTA directors have made a unanimous agreement to host IFST 2015.

Vossloh Gains a Fastener Contract for Mogolian Heavy-Haul Tracks

The fastener manufacturer and supplier Vossloh Fastening Systems has gained a contract from Samsung C&T Engineering and Construction Mongolia for supplying the 270km long heavy-haul track line in Mongolia with MNG 30 fastening systems produced in Werdohl, Germany that can withstand the harsh climate and soil conditions in Mongolia. The track line is used to handle the coal shipment between Tavan Tolgoi and Gashun Sukhait on the Chinese border. The supply of fasteners will begin within a few weeks and will be fully accomplished before the first half of 2015.



Sundram Fasteners Consolidates Business in China with First Dividend Payment



Ten years after Sundram Fasteners first started its business in China, the TVS group company now looks at the prospect of crossing a milestone.

These 10 years the 2,000-crore automotive fasteners maker used its manufacturing centre in Zhejiang, in which it has invested 56 crore, as a base to supply products to its customers in the West in the first phase, and then to its operations in China. Now, the company believes it is entering the crucial 'third phase' to supply Chinese companies in that country.

Which Country Is Likely to Go Bankrupt? Neither China nor USA...

According to a "Bankruptcy Index" report provided by a German media, Argentina is most likely to go bankrupt. The latest data regarding the inflation crisis of Argentina shows that its national CPI in January compared to last month grew 3.7%, which had been the highest since 2002. Based on the 3.7% increase, the annual inflation was up to 55%, almost 5 times the official data, which means the government of Argentina tacitly agreed that the official data previously released were underestimated.

Critics think, since January 2007, the government of Argentina has systematically kept underestimating the inflation in order to make the economic growth look good. The analyst of Goldman Sachs thinks that as the statistics bureau of the government changed the way to calculate the data, the actual price increase is oftentimes 70%-140% higher than the official data.

Chinese Fastener Exports Welcome Spring from Recovering Euro Zone

For a very long time the EU has been the major market of Chinese fastener exports, which represents 1/3 of the total volume. Under the impact of the European debt crisis in 2013, the increase margin of fastener exports from China to the EU slowed down. In the 1st half of 2013, the YoY rate of fastener exports from Jiading City to the EU dropped by 24.2%. During Jan. through Nov. 2013, only Germany, UK, and Italy were listed in the top destinations of Chinese fastener exports. Exports were 58 thousand tons for Germany, 36 thousand tons for UK, and 32 thousand for Italy.

In the future, the economy in the euro zone will gradually recover. It is expected by 2014 there will be substantial growth in the proportion of Chinese fastener exports to the EU. In addition, for the great number of Chinese fastener exporters, the unique and great market demand and mature trade environment in Europe as well as its attractiveness and potential are irreplaceable by other markets.

HONSEL Umformtechnik Starts Production in Wuxi (China)

Since early March, German manufacturer HONSEL of nuts, studs, bolts, sleeves, coils, and rivets announced that it has started production in Wuxi, China. Managing Director of HONSEL, Dr. Tim Siepmann says, "So far, we have our blind rivet nuts, rivets, bolts produced exclusively in Fröndenberg, which will remain so, at least in the European market. However, as many of our customers from the automotive industry have had their own production bases in China, if we can have our own production facilities there, too, it is more convenient for us to get close to each other and will accelerate our delivery and direct contact with customers in the Far East market." The newly established company is called "HONSEL Fastener Wuxi," which is headquartered in one of the vibrant business heartlands of China, Wuxi, usually called by people as "Little Shanghai."

PSA to Procure Chinese Automotive Parts in Bulk

Not long ago, Dongfeng Motor Corp and PSA officially signed a global strategic alliance agreement. PSA, based in Europe, will procure Chinese components in bulk for car production.



Increasing purchase and application of Chinese components will help PSA decrease costs effectively. According to PSA's procuring plan, PSA will spend EUR 600 million on Chinese components, and cooperate with Dongfeng Peugeot Citroën Automobile Company Ltd. to assist suppliers of China, Taiwan and Korea in building connections and supplying PSA's plants in Europe and South America.



Bossard Expands in Malaysia

The Bossard Group is continuing to expand its presence in South East Asia. Malaysia forms a focal point of investment activity in this region of the world. Bossard has built a new distribution and administrative center in this emerging industrial nation.

The highly industrialized Federal State of Penang in the northwest of the country was selected as the site. The complex, built in the Penang Science Park in Bukit Minyak with an area of 9,000m², comprises a distribution center, which has a storage capacity of 800 tonnes, and an office area. In this new facility Bossard Malaysia created capacity for 80 employees.

Three-Year Contract with Tesla

The Bossard Group is strengthening its collaboration with the American electric vehicle manufacturer, Tesla. Tesla awarded Bossard with a three-year contract with a total volume of around USD 140 million to provide production fasteners, engineering and logistical services. The importance of this co-operation has prompted Bossard to open a new distribution center near the Tesla factory in Fremont (California).

Bossard has steadily expanded its market share in the past few years in the United States; in part due to the intensified collaboration with Tesla.



Rockwood Equity Partners Buys PA. Fastener Business

Rockwood Equity Partners LLC, a private investment



firm based in Cleveland and New York, has acquired Dell Fastener Corp. as an add-on to its portfolio company, AFC Industries Inc. in Fairfield, north of Cincinnati. Dell Fastener, a Bridgeville, PA.-based distributor of fasteners and provider of supply chain logistics to original equipment manufacturers worldwide, will operate as a division of AFC, according to Rockwood's news release. General manager Doug Kortyna will continue to lead it. AFC distributes and provides vendor managed inventory programs for a broad array of standard and specialized fasteners and components sourced from a broad global supplier base.

Precision Castparts to Acquire Aerospace Dynamics for \$625M

ADI is one of the premier suppliers in the aerospace industry, operating a wide range of high-speed machining centers. ADI has developed particular expertise in large complex components, hard metal machining, and critical assemblies. "ADI is an acquisition we have pursued for several years," said Mark Donegan, chairman and chief executive officer. "They have invested in world-class facilities and developed large part capabilities that will expand our aerostructures product offering and role on next-generation aircraft. The PCC Aerostructures team will aggressively work with other PCC locations to provide the fasteners, forgings, and castings that ADI currently purchases on the outside, and look to drive additional opportunities to optimize capacity and cost decisions across our aerostructures businesses. ADI also adds another leverage point to our growing presence in Southern California." The transaction is expected to be completed during the first quarter of fiscal 2015.

Chinese Stainless Steel Production Share Gets Close to 50% of the World

According to the preliminary data report of International Stainless Steel Forum, the global stainless steel production in 2013 grew 7.8% to 38.1 million tons. Except for West Europe and Africa, all other regions showed increase margins.

The total stainless steel production in Asia (excluding China) in 2013 was 8.8 million tons, up 0.8% from last year. The difference of margins in the region was huge, with the increase margin of India reaching 5.4%, -3.7% for Taiwan and China, and the similar situation as in the 1st half for Japan and South Korea.

Chinese stainless steel production share continues to accumulate and is getting close to 50% of the global share. The total stainless steel production in 2013 grew 18% to 19 million tons (up 3.8% from last year).

The stainless steel production of West Europe and Africa declined 4.3% to 7.5 million tons. However, France and Belgium realized the growth of 5.1% and 4.6% respectively while UK and Germany both faced 2-digit decline.

The stainless steel production in Americas and Central/East Europe is increasing fast. The production of Americas grew 3.6% to 2.5 million tons and the production of Central/East Europe grew 13.6% to 400 thousand tons.

Fastener Supply Chain Disruption to Impact NTD30 Billion Production Value

Recently in Taiwan's fastener manufacturing chain, a wave of pickling and electroplating plant shutdown is causing supply chain disruption that cuts down 25% capacity equivalent to NTD30 billion. This leads to fastener cost increase of USD100/ton, posing direct impact to foreign sales competitiveness. Situation is harsh.



China Steel Corp., Jinn Her Enterprise, and Taiwan Industrial Fastener Institute have immediately sought solutions. Currently they come to four initial measures to close the gap in the fastener supply chain: 1. Build new waste liquid plant; 2. Solve problems at a cross-regional scale; 3. Re-adjust existing production line to provide temporary supply; 4. Expand Jinn Her's legitimate production lines.

Multiple fastener plant owners told they could not make delivery in time and thus had to change shipment from ocean freight to air freight to avoid default. This would push shipment cost up by 10 times, and cause environmental cost to surge by over USD100/ton.

China Steel Corp. vice director Mr. Huang, who is in charge of environmental issues of the fastener industry, said 20% to 25% of fastener production value is subjected to the impact of pickling and electroplating plant shutdown. He added that the influence is substantial in that fastener plants are turning more cautious in accepting orders.



TFTA Appeals to the Government for Setting up a Special Plating Area to Revitalize the Fastener Industry

Many fastener plating factories in Taiwan were clamped down by the government and asked to temporarily shut down due to illegal discharge of waste water into the river, which then increased the production cost of fasteners by two times. As a result, the insufficient capacity for plating has made many fastener factories unable to deliver products to customers on time, greatly influencing the competitiveness of Taiwanese export.

The current shutdown of plating factories has made the expense for waste acid water treatment in the fastener industry jump from NTD2,000/ton to over NTD4,000/ton, and the cost for plating has increased from 5% of the total cost to 12.5% of the total cost, increasing the production cost of fasteners. TFTA Chairman Bill Chen said that Taiwan CSC, Jinn Her, and TIFI have preliminarily formulated the solutions for setting up waste water treatment facilities, cross-area handling, and the addition of legitimate

production lines. However, the legitimate plating factories have been very busy in handling all the plating orders, so these solutions cannot be instantly realized to solve the problem. He hopes that the government can offer plenty of time to companies for improvements and can set up a special area in southern Taiwan to reduce the impact on the fastener industry.

President of TFTA Central Chapter Mr. Johnson Chang said that although the special areas for hardware acid wash and electroplating have been set up in Central Taiwan, the waste water treatment facilities in the 2nd phase have not yet been built, which means fastener factories still have to worry about the problem of acid wash and this will greatly influence the production value.

TFTA consultant and Fascon President Steven Fang suggests that the government should carefully formulate related regulations this time and this will be good to the environmental protection of Taiwan.

Japan's Ministry of Finance Releases Annual Fastener Trade Statistics for 2013

According to the ministry's 2013 fastener trade statistics, the export volume rose 2.4% to 347,041 the tons, and the export value rose 10.7% to 298.28 billion yens. On the other hand, import volume rose 2.4% to 347,041 tons, and the import value rose 10.7% to 298.28 billion yens. Both the volumes and values in import and export exhibited positive growth. Among the traded fasteners, the export volume of iron and steel bolts rose 3.6% to around 200 thousand tons, and the import volume rose 10.6% to around 100 thousand tons.

Japan's Trade Volume of Copper Fasteners in 2013

In 2013, Japan exported 573 tons (down 3.9%) of copper fasteners valued at 1.909 billion yens (up 3.4%), and imported 1,647 tons (down 5.7%) valued at 2.957 billion yens (up 16.4%). In both import and export, the trading volume of copper fasteners decreased and the trading value increased.



Japan's Trade Proportion of Steel and Iron Screws in 2013

In 2013 Japan imported 263.243 thousand tons of steel and iron screws, and this broke the historical record for the third consecutive time. The export volume reached 347.035 thousand tons, which is the fourth highest record in history as well as a consecutive positive growth. The export/import ratio was 1.31, down 0.13 points from 2012, close to the lowest 1.30 ratio recorded in 2004.

2013 Argentinean Automotive Market Grows 3.5% in Production and 16% in Sales

Argentinean Automotive Manufacturers' Association (ADEFA) announced that the production, sales, and export volume were over the level recorded in 2012. In 2013, the total automotive production in Argentina reached 791,007 units, up 3.5% from the record of 2012 (764,469 units). As for the sales volume in Argentina in 2013, it grew 16.1% to 963,917 units. In 2013, Argentina exported 433,295 units of cars to the world, up 4.8% from the recorded 413,472 units in 2012.

Canada Completes Investigation on Prices for Certain Carbon Steel Fasteners Originating in Taiwan and China

Canadian Border Services Agency (CBSA) announced on October 21st, 2013 that the re-investigation on prices for certain carbon steel fasteners has been initiated in order to determine the new normal values and export prices for carbon steel fasteners from China and Taiwan.

The result of the investigation has been officially published on Mar. 14th, 2013. 31 Taiwanese companies and 4 Chinese companies are allowed to get the normal value. For the rest of companies who do not get the normal value, they have to encounter 170% of antidumping duty for the export of products involved in the investigation to Canada.

Mexico to Trump Japan as No. 2 Car Exporter to U.S.A.



Mexico is on track to replace the Asian automotive giant, Japan, as the second-largest exporter of cars to the United States by the end of the year. An \$800 million Honda plant open in the central state of Guanajuato will produce about 200,000 units of "Fit" hatchbacks a year, helping push total Mexican car exports to the U.S. to 1.7 million units in 2014, roughly 200,000 units more than Japan. And, with another big plant put to use, Mexico is expected to surpass Canada by the end of 2015. "It's a safe bet," said Eduardo Solis, president of the Mexican Automotive Industry Association. "Mexico is now one of the major global players in car manufacturing." Despite Mexico's surge, the vast majority of the cars and trucks made in North America, are still produced in the U.S. for domestic consumption and export to other countries. And, many of the vehicles built in Mexico are assembled with parts that are produced in the United States and Canada and across the border without tariffs under the North American Free Trade Agreement.

Mexican government and the industry said the automotive industry has become the primary source of foreign currency for Mexico. Just 25 miles from the new Honda plant, Mazda is set to open a factory to produce 230,000 cars a year. Nissan is expected to turn out 175,000 cars annually at a \$2 billion plant it opened late last year in the nearby state of Aguascalientes. And Audi will be producing luxury models at a plant in the state of Puebla that is slated to open in 2016.

James Pickren Joins Sherex Fastening Solutions LLC as Chief Executive Officer



Sherex Fastening Solutions, a global leader of engineered fasteners, tooling and automation announced the appointment of James Pickren as Chief Executive Officer, effective from January 1, 2014. Over the past twenty-four years, Mr. Pickren has developed a wealth of experience and knowledge in industrial markets and a strong track record of leadership roles in global manufacturing and distribution companies.

Auto Parts Exports from India Rise 4.4% to \$9.7 Bn in 2013

At a time when the Indian auto industry is reeling under a prolonged slump, the component makers have something to cheer as exports grew by 4.4 percent to touch \$9.69 billion in 2013. Commenting on the rise in exports, ACMA Executive Director Vinnie Mehta told, "80 percent of our exports are to global original equipment manufacturers (OEMs) and tier I companies. Growing credibility of domestic component makers have led to many global companies setting up their sourcing centres in India." There are 35-40 international purchasing offices set up by various global entities in India now, he added.

The US remains India's biggest component export market but shipments to the country were down 7.1 percent last year at \$1.98 billion. Exports to Germany, the second largest market, registered 8.6 percent increase at \$780 million, while it was up 3.6 percent to the UK, the third largest, at 580 million.

Solar Fastener Expert Announces New Partnership with Amazon.com

The leader in the solar fastener industry, Solar Fastener Expert, is proud to announce a new partnership with Amazon.com. Amazon is now stocking several solar-specific fasteners from Solar Fastener Expert, including stainless steel hex bolts, lag bolts, washers, nuts and specialty solar fastening products from EJOT®.

B/E Aerospace, LISI, and TriMas will Dominate the Global Aerospace Fastener Market from 2014 to 2018

The analyst forecasts that the composite annual growth rate of global aerospace fastener market during 2013 to 2018 will reach 7.75% mainly influenced by the increasing demand for commercial aircrafts and low-cost carriers in the Asia Pacific Region. So far, aerospace fastener companies that are quite active in the market are 3V Fastener Company Inc., Allfast Inc., B&B Specialities, Inc., Emhart Technologies LLC, National Aerospace Fasteners Corp., Precision Castparts Corp., TFI Aerospace Corp., TPS Aviation Inc., and Wesco Aircraft Holding. But the market is mainly dominated by Alcoa Inc., B/E Aerospace Inc., LISI Group, and Trimas Corp.



Japanese Ofa Expands Business of "freshgreen" Surface Treatment Technology

Ofa Co., Ltd. is expanding business for its FG (freshgreen) treatment technology that can achieve high hardness and high anti-corrosion by forming a carbon-coated film of oxidized titanium onto titanium or titanium alloy.

The film is formed by simultaneously conducting oxidization and carbonization on titanium. The film is sophisticated and highly adhesive, and thus excellent in anti-wear and anti-corrosion, contributing much to weight saving. The general method of titanium surface treatment is to coat the surface with a binder. In contrast, FG technology modifies the surface by simultaneous oxidization and carbonization.

By modification without the need for binders, FG technology can be applied to screws without losing surface sophistication of the screws and prevent from galling and burn-in. As FG technology adopts atmosphere processing, there is no need to conduct it in a vacuum state, thus reducing treatment cost and effective to highly used components such as screws.

Falcon Metal Corporation Changes Name to Falcon Fastening Solutions, Inc.

Falcon Metal Corporation, an industrial distributor of fasteners and other Class C production components used in high-volume manufacturing assembly, announced it has officially changed its name to Falcon Fastening Solutions, Inc. "Our new name better aligns with who we are as a company and removes confusion from our brand," explains Don Nowak, President and Owner. "As we grow our business, relevancy and clear communication of value is critical to our success."

A new logo and marketing message – "Your Lean, Reliable Partner" — have been created as part of Falcon's corporate identity. The new tagline reinforces the company's commitment to supporting lean principles to reduce total cost for its customers. In addition to their new name, Falcon Fastening Solutions, Inc. is also pleased to announce the branding of its vendor managed inventory (VMI) services. The Reliable Stock™ VMI program offers four distinct types of service that are customized to provide supply chain management solutions based on customer preferences for ordering, receiving and stocking inventory.

> President Don Nowak said changing the company name can help increase its brand awareness.



Hydrobolt Joins the LoneStar Group

The Directors of LoneStar Fasteners Europe and Hydrobolt are pleased to announce that with immediate effect Hydrobolt has joined the LoneStar Group.

Hydrobolt will remain a separate entity and will continue to trade under the Hydrobolt name. The company will continue to be run by the current Hydrobolt senior management team, led by Jamie Simpson, who will report directly to the CEO of LoneStar Group.

LoneStar Fasteners Europe will proceed with the previously announced move to the new facility at Universal Point as planned. LoneStar Fasteners Europe will continue to be led by Stuart Roden and his current management team.

South Africa Raises Ad Valorem Tariff to React to the Inflow of Asian Fasteners

As Asian fasteners swarm in, South African companies have seen the impact and called for International Trade Administration Commission of South Africa to raise the import tariff on those products. The commission decided to raise the Ad Valorem Tariff from 10% to 20% to propel the domestic fastener capacity. (Ad Valorem Tariff: Duty or other charges levied on an item on the basis of its value and not on the basis of its quantity, size, weight, or other factors.)

The commission will re-evaluate the overall condition of the fastener industry and adjust the tariff every 3 years, based on the production, employment, and investment status. During 2010 to 2012, South African fastener production dropped by 18%. Since 2008, substantial amount of bolts, nuts, and screws have been imported to South Africa, and the number of local employees has dropped by 22%.



Fastenal Founders Bob Kierlin, Steve Slaggie Retired From Board of Directors

In accordance with Fastenal's (Nasdaq:FAST) director age-limitation policy, two of our founders, Bob Kierlin (chairman) and Steve Slaggie (director), have retired from Fastenal's board of directors on April 22, 2014. Although both will remain part of the 'Fastenal family' as mentors, advisors, and friends, their retirement marks the end of their official roles with the organization they helped build from a small-town fastener shop into a multibillion-dollar global business.

