Fastener World News

compiled by Fastener World Inc.

That is, importers of related BMF imposed by customs of the EU with antidumping duties are very likely to get repayment or remission (however, the requests have to be submitted by national customs authorities according to applicable customs regulations). This amendment will become effective after the announcement of the Official Journal and shall apply retroactively from 20 November 2005.

EC: Bi-metal Screws are Excluded from Antidumping Measures Against SS Fasteners

According to the most recent Official Journal of the European Union published on July 31, 2014, the original antidumping measures in force against the import of stainless steel fasteners (falling within CN code 7318 12 10, ex 7318 14 10, 7318 15 30, 7318 15 51, 7318 15 61, and 7318 15 70) from China and Taiwan will exclude bimetal fasteners (BMF) falling within CN code ex 7318 14 10.

The definition of the EU for BMF is: BMF should be defined as: bi-metal self-drilling screws, having a shank and head of stainless steel and a point and leading threads of carbon steel, which are welded together, allowing the screw to self-drill its own pilot hole and cut its own thread into hard steel metal; and bi-metal self-tapping screws, having a shank and head of stainless steel and leading threads of carbon steel, which are welded together, allowing the screw to cut its own thread into hard steel metal; both currently falling within CN code ex 7318 14 10.

According to the previous appeal lodged by the Taiwanese export manufacturer, Sheh Kai Precision Co., Ltd, bi-metal screws contain distinguished physical, chemical, and technical characteristics from those of stainless steel fasteners. The EU, after the investigation, considers that applications of BMF are different from those of SS fasteners due to differences in certain characteristics. The interchangeability of both products is limited (as in some applications, end-users unable to get BMF may turn to use carbon steel fasteners). On the other hand, the manufacturing process, cost, and prices are also different. During the investigation, the related association representing producers in the EU stated that currently there are no member producers manufacturing this kind of product. Other producer associations in the EU had no comment on this, either. BMF is a relatively new product in the market, which offers the hardness of carbon steel and the corrosion resistance of stainless steel. BMF can easily drill through steel plates with thickness of 25mm without drilling any pilot hole (general SS fasteners can only penetrate the steel plate with thickness of 3mm).

The investigation concluded that bi-metal fasteners will not be included in the antidumping measures in force against SS fasteners and this amendment is retroactive.

EU Renews Tariffs on Stainless Steel Screws from Taiwan

The EU has announced that the new exporters in Taiwan of stainless steel fasteners subject to anti-dumping measures may apply to the Commission to be added into the list of cooperating companies subject to a weighted average duty rate of 15.8%. However, the amendment can only be applied to exporters in Taiwan, not including others in China. The EU has re-imposed the import duties as high as 27.4% on stainless steel fasteners for another five years since January 2012. (Source: Yieh Corp.)

EU Launches an Expiry Review of Antidumping Measures Against Wire Rod Imports from China

The request was lodged on 29 April 2014 by the European Steel Association ('Eurofer') ('the applicant') on behalf of producers representing more than 25% of the total Union's production of wire rod. The request is based on the grounds that the expiry of the measures would be likely to result in recurrence of dumping and injury to the Union's industry. The products subject to this review are bars and rods, hot-rolled, in irregularly wound coils, of iron, non-alloy steel or alloy steel other than of stainless steel originating in the PRC ('the product under review'), currently falling within CN codes 7213 10 00, 7213 20 00, 7213 91 10, 7213 91 20, 7213 91 41, 7213 91 49, 7213 91 70, 7213 91 90, 7213 99 10, 7213 99 90, 7227 10 00, 7227 20 00, 7227 90 10, 7227 90 50, and 7227 90 95.3.

U.S. Continues to Impose AD Tax on China's Steel Bolts

USITC (United States International Trade Commission) concluded in its sunset review on July 22 that U.S. AD measures on China's steel bolts will continue. The Commission explains that cancelling the measures may again lead to material damage to related U.S. industries. According to U.S. trade remedy, the anti-dumping rate for steel bolts is 47.37% to 206%.

IFI 9th Edition Inch Fastener Standards Is Now Available

The new edition has been published on July 3rd and contains up-to date 99 standards related to business operation in the book, 49 of which have been revised from the previous edition released in 2011. The book is available now in both digital version and hardcover.

China-Switzerland FTA Comes Effective Benefiting Fastener Industry

The free trade agreement between China and Switzerland has become effective since July 1st, 2014. This is the first free trade agreement China signed with a European country. Analysts think that such an agreement can not only bring direct benefits to both countries, but also facilitate companies in both countries to invest in each other. This agreement will boost the bilateral cooperation of these two countries to "jump high". When the agreement comes effective, Switzerland will adopt the tariff-free policy directly on 99.7% of products imported from China while China will also gradually adopt its tariff-free policy on 84.2% of products imported from Switzerland (incl. 67% of products benefited from the direct tariff-free policy) and the other 17% will be completely tariff-free probably within 5 to 10 years in the fastest pace or no more than 15 years.

China has recently been the largest trade partner of Switzerland in Asia, and Switzerland is the 7th largest trade partner of China in Europe and its 6th largest origin of foreign investment. In 2013, the bilateral trade value between these two countries reached USD59.5 billion. According to statistics, the average profit of Swiss companies in China grew nearly 10%, and 62% of these Swiss companies are planning to expand their investments in China.

This agreement will bring a new era for the cooperation between China and Switzerland and auto parts, metallic products made in China and Swiss made precision instrument, mechanical parts, and metallic products will all benefit from the tariff free measures.

India Wins US Anti-dumping Case on Steel Threaded Rod

An independent US quasi-judicial federal agency has ruled against imposing any anti-dumping duty against certain categories of steel threaded rod from India. The ruling by United States International Trade Commission (USITC) came a month after US Department of Commerce determined that Indian steel threaded rod was being dumped in the country and sought imposition of anti-dumping duty against it.

"The USITC determined that a US industry is neither materially injured nor threatened with material injury by reason of imports of certain steel threaded rod from India that the US Department of Commerce has determined are subsidized and sold in the United States at less than fair value. As a result of the USITC's negative determinations, no antidumping and countervailing duty orders will be issued," a media statement said.

In 2013, imports of steel threaded rod from India were valued at an estimated $19 million. In July, the Department of Commerce determined that imports of steel threaded rod from India had been sold in the United States at dumping margins ranging from 16.74 to 119. 87 percent. It also determined that imports of steel threaded rod from India have received countervailing subsidies ranging from 8.61 to 39.46 percent.

In the anti-dumping investigation, mandatory respondents Mangal Steel Enterprises Limited and Babu Exports received final dumping margins of 16.74 percent and 119.87 respectively. (Source: Hindu Business Line)

Italian Fontana Gruppo Acquires Acument Global Technologies

On June 19^{th} the Italian Fontana Gruppo supplying automotive and industrial fastener solutions announced the acquisition of the leading fastener solutions providers for USA, Mexico, and other markets in South America- Acument Global Technologies, Inc. This acquisition not only increases the combined turnover but also helps expand Fontana Gruppo's presence in the global market. Currently, Fontana has 4,200 employees and 22 plants in Europe, North America, Mexico, and Brazil, as well as logistics centers worldwide. Chairman Giuseppe Fontana of the Fontana Gruppo is also really excited about the combination of these two companies.

MW Industries Inc. Announces Acquisition of Hi-Performance Fastening

MW Industries, a leading provider of highly engineered springs, specialty fasteners, machined parts, and other precision components, announced the acquisition of Hi-Performance Fastening Systems, headquartered in Bensenville, IL, a manufacturer of precision products for the appliance, automotive, communication, housing and other assorted markets including cold headed fasteners, thread forming screws, and pre-assembled screw and washer combinations known as "SEMS." Bill Marcum, CEO of MW Industries, said, "Hi-Performance Fastening Systems has a solid reputation in servicing the demands of the small to medium size fastener community with high quality products and excellent service. The company's products and work force are highly complementary to our existing business base, and as part of the MW family of companies, we believe that Hi-Performance Fastening Systems is better positioned to penetrate our existing markets, including consumer, transportation, and various industrial markets."

IS Group Acquires Specialty Fasteners

Devon, UK-based Specialty Fasteners and Components (SFC), which has been a supplier to industry with engineered solutions to fastening problems since 1991, as both a manufacturer and distributor, has been acquired by the IS Group, distribution specialist offering technical support, extensive stock and value added services within the aerospace, military, motorsport, medical and energy markets. A company announcement said that SFC would continue to operate independently from its existing premises in Totnes, Devon. A communique from IS Group managing director stated: "We would like to provide customers with assurances that we will be working closely with the SFC team in the support of customers and key partners to ensure that high levels of customer service and support are maintained."

Field Fastener Merges with HRS Logistics

U.S.-based Field announced on July 9, 2014 that it has merged with HRS Logistics. This strategic partnership will enhance both their positions in the marketplace by expanding the products, services, and geographical footprint in which they service customers. Both Field and HRS Logistics have similar cultures that place a high value on the team, customers, and suppliers. They are excited about the opportunity to provide more technical services to drive short and long term cost savings.

Field has averaged 20% growth year over year since 1990 with plans to sustain this growth to reach $100 million in revenue over the next few years. HRS Logistics is a global provider of fasteners and other 'class c' items servicing customers throughout the South/Southwest and in Mexico. They are a rapidly growing company that has achieved a 155% growth rate over the last 4 years.

U.S. Fastener Demand to Rise by 4.3% Annually

The demand for U.S. industrial fasteners is expected to grow 4.3% every year and will reach USD 14.8 billion by the end of 2017. Such growth of demand comes from recovery of the car manufacturing market, representing a quarter of the total fastener demand. The fastest increase in fastener sales is the construction market (incl. residential and non-residential), which slipped down during 2007-2012 but will demonstrate a strong return. The growth of OEM for industrial fasteners will be higher than that of MRO, as U.S. machinery & aerospace vehicles industry will expand in an improved pace. On the other hand, the production of U.S. metallic products will also go up. The recovery of several U.S. industries is the support for the growth of fastener demand.

Building Czech Warehouse

Heads & All Threads, a global supplier of fasteners and related products, has recently embarked on the construction of their new purpose built 1,200 square meters facility in Chomutov, Czech Republic. Completion of the £1 million warehouse and offices is planned for January 2015. "We have been operating in Chomutov, Czech Republic, now for 10 years and we are unquestionably pleased with the way the business has developed over this period of time," Group Managing Director Stuart Whitehouse said. "Our decision to invest £1 million in a purpose built facility underlines our commitment to be at the forefront in Central Europe for the foreseeable future, further strengthening our position as a key player within this market." Alan Hiatt, Managing Director for the Czech business, recently attended a function with the British Ambassador for the Czech Republic, who is a strong advocate for British based companies expanding into the Central/Eastern Europe markets. The Ambassador will be officially opening the new Heads & All Threads facility early next year. The main office of Heads & All Threads Ltd is in Birmingham, UK. To date, Heads & All Threads operates from the UK, Poland, Czech Republic and India.

TR Southern Fasteners Joins BIAFD

TR Southern Fasteners is delighted to announce that it has become a member of the British & Irish Association of Fastener Distributors (BIAFD), which represents its members on issues directly related to the fastener industry, including raw material and supply chain trends, legislation and regulation, and product development. As part of the TR Fastenings group, TR Southern Fasteners is supported by extensive global resources and manufacturing operations in the UK and Asia. This combination allows TR's Irish locations to supply a vast range of fasteners and associated components to small, medium and large Irish manufacturers and engineering subcontractors while meeting each individual company's needs. Customers come from many different industries, including electronics, automotive, IT, home appliances, security, medical, agricultural farm machinery and general industry.

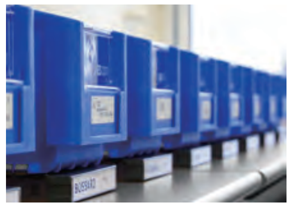
NORMA Group

- Bestows First Global Supplier Recognition Award

NORMA Group bestows its first ever "Global Supplier Recognition Award" on selected suppliers. In 2014, the award for outstanding performance and results goes to EMS Chemie Holding AG. based in Switzerland, one of the world's leading manufacturers of high-performance polymers and specialty chemicals, according to its supplier reliability, product quality, competitiveness, compliance with international quality standards and sustainable use of resources based on an extensive list of criteria. Going forward, NORMA Group will sponsor the award on an annual basis.

-Expands US Distribution Services Business

NORMA Group has significantly expanded its Distribution Services activities in the US. The newly established Distribution Center in Lake Orion, Michigan, provides sufficient capacity to ensure more efficient and flexible warehousing and even shorter delivery times. It helped NORMA Group win new orders and strengthen its relationships with clients in the US market. NORMA Group's US Distribution Center serves as a central point of contact from where clients can obtain the entire product range punctually and on schedule. Clients benefit from enhanced delivery times and quality, efficient logistics processes and centralized client service. Due to the expanded activities and the Distribution Center, NORMA Group has won and extended business broadly. NORMA Group opened its Distribution Center in the US at the beginning of 2014. From its 21,000 square meters, NORMA Group sells joining products of the ABA, NORMA, Breeze, Torca, Clamp-All, R.G. Ray and Five Star brands to distribution companies, OEM clients in the aftermarket sector, specialist wholesalers and home improvement stores.



Bossard

-Received the Supplier's Performance Gold Award 2013 from Danfoss

Bossard is proud to be Danfoss Trata honoured partner and preferred supplier and is looking forward to continuing this thriving collaboration.

-Announces Results for H1 2014

In the first half of 2014, Bossard set new records for sales and profits. Profitability improved further in spite of higher tax expenditures. The Group benefited from accelerating demand, especially in Europe and Asia. In the first half of 2014, Bossard achieved record sales of CHF 321.0 million (CHF 311.5 million in the previous year period). This is an increase of 5.6 percent in local currency or 3.0 percent in Swiss Francs.

In Europe, sales rose by CHF 12.7 million to CHF 208.2 million year-on-year; a development that gives cause for optimism. The positive demand trend, which Bossard first noticed in the second semester of 2013, continued in the first half of 2014. This increase in demand is particularly significant since 65 percent of Bossard's sales originate in European markets. European sales climbed by 7.1 percent in local currency and by 6.5 percent in Swiss Francs.

In America, the Group had sales of CHF 65.7 million, a drop of 5.6 percent in local currency. After a decrease of 7.8 percent in Q1, revenue declined by 3.1 percent in Q2. In Swiss Francs, this translated to a drop of 10.1 percent due to currency effects. This revenue decline is primarily caused by weaker demand from a major customer. Announced in March, the three-year agreement with electric vehicle manufacturer Tesla will stimulate business in the second half of the year and greatly improve sales growth in America. In Asia, the growth trend has continued in an impressive fashion. Sales in local currency rose by a remarkable 17.6 percent to CHF 47.1 million. As a result of the weakness associated with the currencies of some emerging countries, sales growth in Swiss Francs was 9.8 percent. The strong growth in Asia is largely the result of business from new customers.

Consolidated net income rose year-on-year by CHF 3.1 million or 10.5 percent to a record of CHF 32.3 million. It is remarkable that in spite of higher tax expenditures Bossard was able to achieve a return on sales of 10.4 percent compared to 9.7 percent in the previous year. This level of profitability makes Bossard a top performer in the industry. Bossard will publish its detailed semi-annual report on August 26, 2014.

Japanese Sanko Hits Highest Record in Revenue & Profit

According to the company's annual report for the period (Apr. 1, 2013 to Mar. 31, 2014), its revenue rises by 13.9% to 17.29 billion yens, and the ordinary profit jumps 75.1% to 1.472 billion yens, breaking the highest record recorded in 2007. This is the highest revenue and profit value since the company's establishment.

Würth Group Generates Sales of More Than Five Billion Euros in the First Half of 2014

In the first half of 2014, the Würth Group generated overall sales of EUR 5.020 billion. This corresponds to a year-over-year growth of 2.8 percent. Except for Italy, all problematic countries succeeded in generating growth again. There are clear signs that Spain, for instance, has bottomed out as they succeeded in generating a sales plus of almost nine percent. Robert Friedmann, Chairman of the Central Managing Board of the Würth Group, said: "We want to close the year 2014 with a new sales record. Although the focus of our business activities is on Europe, the strong euro has a negative impact on the development of sales. However, we do not expect further negative influences in the second half of the year." The operating result of the Würth Group is clearly growing. At EUR 235 million, the operating result is up 14.6 percent over last year (previous year: EUR 205 million). "The good order situation of our customers and the economic development are a tailwind for us and we are therefore looking optimistically at the second half of the year," Friedmann adds. In the second half of 2014, we expect the trends of the last six months to continue. It seems very likely that we will achieve a new sales record by generating more than ten billion euros.

PennEngineering Authorizes Owlett-Jaton to Distribute PEM® Brand in UK

Owlett-Jaton, the UK's leading supplier of fasteners and fixings to the distributor and merchant trade, has been appointed as an authorized distributor for PEM® Brand of products in the UK. PennEngineering's European Sales Manager, Andrew Middleton commented, "The addition of Owlett-Jaton as a UK authorized distributor for PEM® Brand products is an integral part of our strategy to make our core product lines accessible to the Independent distributor network in the UK. As the UK's leading supplier to the independent fastener distributor, we view Owlett-Jaton as the ideal partner to support this strategy, and we are excited at the possibilities the partnership will bring to both organizations". Martin Rundle, the Marketing Manager at Owlett-Jaton said, "PennEngineering creates market-leading self-clinching fasteners and we are delighted to extend our portfolio of products with the PEM® Brand products. The addition of PEM® to the product range will bring further strength to what we can offer merchants and distributors."

Appreciated NTD & Capital Stock Inflation May Pull Back Sanshing's Profit in Q2 & Q3

Sanshing Fastech is the world's largest nut maker supplying to Tier 1 and Tier 2 component suppliers mainly in Europe and the U.S. The company has acquired a certain proportion of market share in the automotive nut market, and in the future nut sales will naturally grow with the car market. The future growth of Sanshing is mainly determined by the fastener market. In the demand for fasteners, screws account for 70%, nuts account for 20%, and washers account for 10%. Thus, the screw demand is much higher than nuts. Recently the company has turned to expanding screw capacity in anticipation of bringing up the next growth. Although future growth remains optimistic, capital stock inflation might pull back the profit growth this year.

Boltun Spends EUR45 Million Acquiring ESKA Automotive

Aiming at the global automotive industry, Boltun has invested EUR45 million in acquiring 85.71% of shares of German old brand- ESKA Automotive GmbH (ESKA). The transaction has been completed on August 4, which is expected to reflect on the revenue of August. On top of the revenue of ESKA last year reaching EUR70 million, Boltun's revenue contributed by ESKA in the second half of this year will be over EUR1 billion.

ESKA is a professional fastener supplier for bolts and screws, with critical cold forging technology. It is able to produce high precision screws with high tensile strength including customized/standard bolts and screws applied to car engines, transmission systems, and automotive spare parts. Products are usually sold to the automotive industry.

Boltun's Spokesman Hsu says, ESKA is a small-to-medium-size family enterprise and has been in the industry for over a hundred years. However, as there was no 2nd generation to take over the business of ESKA, its business transformation seemed to be difficult; the company was, accordingly, put for sale.

ESKA has been a customer to Boltun for a long time and part of Boltun's products are sold to Europe through ESKA. The similarity of customer bases of both parties is quite low; ESKA's major products are mostly sold to 3 major car makers in Germany (close to end-users), while Boltun sells products to the end-user market through distributors. ESKA's profit is stable. Its revenue in 2011 reached EUR79.14 million (profit at EUR1.9 million). Although it was stricken by the European debt crisis in 2012, its revenue still reached EUR77.78 million (profit at 620.9 thousand). In 2013, due to the proper adjustment in the company's operation, its revenue reached EUR75.99 million (profit bounced back to EUR2.82 million). After August 4, Boltun started to consider the revenue of ESKA as its own revenue. It is expected that the revenue contributed by ESKA this year will be over EUR1 billion.

Chun Yu Expects NTD 10 Billion Revenue This Year

春雨集團 CHUN YU GROUP

The leading fastener manufacturer Chun Yu shows good results in order acceptance, and its business in China and Europe also performs really well. Artificial persons analyze that its consolidated revenue this year may reach NTD 10 billion while the result in H2 2014 will be better than that of H1 2014. General Manager Lee pointed out that the annual revenue growth of Chun Yu is always over 20%; however, the growth of the entire group was affected by the recent loss of its subsidiary in China. However, as opportunities created by the skyscraper projects in Wuhan (China), demand from car manufacturers, and the construction of high speed rails continue to emerge, the economy till the year end of 2014 is estimated to be positive. Chun Yu offers a wide range of products for applications from bicycles, furniture to steel construction and bolts for bridges. In the most recent years, it pays much attention to construction screws and has achieved remarkable results. On July 16, the stock price of Chun Yu increased by NTD 0.05 to close at NTD13.5. It also focuses on the upgrade of products, which efficiently elevates its gross profit. According to a current financial report, the gross profit of Chun Yu in the most recent years has grown from 13% to 16% and the performance in H1 2014 stays at high level, too. In addition, as it continues to focus on the development of high-end construction screws, providing a stable base for the company, it is thus estimated that the consolidated revenue of Chun Yu this year will be over NTD 10 billion.

AIDC to Go Listed NAFCO in the Limelight

Aerospace Industrial Development Corporation (AIDC), the leader in aerospace fasteners, went public on August 25, and as popularity of the aerospace concept stock continues to increase, National Aerospace Fasteners Corporation (NAFCO) comes in the limelight with its profit growth in Q1 and its soaring stock price. NAFCO's aerospace fasteners have acquired GE Aircraft Engine certificate, making itself the only GEAE-certified aerospace fastener maker in Pan-Asia. Later, it further acquired IHI and Snecma certificates. Currently NAFCO's aerospace fasteners account for 70-80% of its total revenue, and industrial and automotive fasteners account for 20-30%. The company mainly produces nickel alloy steel fasteners applied in new plane production and maintenance. Its profit margin is higher than that of peers', as the entry barrier of the aerospace industry is quite high.

NAFCO's Q1 revenue reached NTD 348 million (up 26.09% quarterly), with profit margin at 37.56%, net profit after tax at NTD 600 million (up 93.5% quarterly, second highest quarter in history), and EPS at NTD 1.43 (single-quarter record high). NAFCO's utilization rate is near 90% and close to full capacity. To satisfy the demand from aerospace clients, NAFCO's third plant has been built in June last year, with half the capacity of plant 1 and 2 combined. Capital has been invested in additional machinery and in production certification. As the aerospace industry remains optimistic and the market share is high, it will be necessary to set up a new plant 3 years later. The company indicated in an annual shareholder's meeting that automated equipment for engine bolts (new product), CNC parts, and airframe nuts has been introduced to improve production efficiency. NAFCO will also combine optical technology with advanced planning and scheduling (APS) to improve production and sales performance.

FINNVEDENBULTEN

FinnvedenBulten AB

- New President and CEO and new executive management in FinnvedenBulten

FinnvedenBulten focuses entirely on fasteners and a new Group Executive Management team, well established and with long experience from the fasteners- and automotive industry has been formed. The new President and CEO and the new executive management team take up their positions on July 1, 2014 and will concentrate fully on the growing international fasteners business. The intention is also to change the name FinnvedenBulten to Bulten which means that an Extraordinary General Meeting in the parent company is required.

In connection with the closing of the sale of division Finnveden Metal Structures on June 30, 2014, the employee representatives Katarina Olsson and Peder Johansson (deputy), both employed by Finnveden Metal Structures, resign from their assignments in FinnvedenBulten's board. FinnvedenBulten's new executive management will consist of:

-Tommy Andersson, President and CEO
-Helena Wennerström, Executive Vice President and CFO
-Magnus Carlunger, Senior Vice President Technology and Business Development
-Torbjörn Hjerpe, Senior Vice President Purchasing
-Anders Karlsson, Senior Vice President Market and Sales
-Jörg Neveling, Senior Vice President Production
-Kamilla Oresvärd, Senior Vice President Corporate Communications

- FinnvedenBulten AB Changes Its Name to Bulten AB and Adopts New Articles of Association

The General Meeting decided to change the name of the company and change the Articles of Association in accordance with the Board's proposal for resolution, implying that the company name is changed from FinnvedenBulten AB to Bulten AB by amending the company's articles of association § 1.

The change is brought about by the Group. Since division Finnveden Metal Structures was sold to Shiloh Industries Inc. on June 30, 2014, it focuses entirely on the fasteners for the automotive industry, ie., the business in division Bulten, and the new name better reflects the Group's operations.

The name Bulten AB is held by a subsidiary of the Group which, in conjunction with FinnvedenBulten AB's change of name, will change the name to Bulten Fasteners AB (Reg. No. 556010-8861).

FinnvedenBulten AB's shares are currently traded under the ticker FBAB. Because of the resolution to amend the company's name, the share will, as soon as the new name is registered at the Swedish Companies Registration Office, be traded under the ticker BULTEN.

Nissan Recalls Pathfinder in U.S. Due to Potential Risk on Rims

Nissan has recently announced to recall its Rogue, Pathfinder, and Infiniti QX60 models in North America due to a safety concern on possible loosening of bolts installed on rims, as they are found not securely fastened to the required torque strength. According to the data released by U.S. National Highway Traffic Safety Administration, 334 units of vehicles are in recall. "Nuts installed on rims at the right-hand side of a car are not securely fastened to the required torque strength; as a result, if one nut is loosened, it may cause the loosening of other nuts, and what's worse, the falloff of rims is very likely to result in collision." Models being recalled this time are all manufactured during March 7 to 10 of 2014. Nissan and its dealers are contacting car owners to have their cars inspected starting from the second half of June. Bolts on rims will be re-fastened to the required strength including extra maintenance and repair service for free.

Sumeeko to Launch Factory Expansion to Consolidate Sales Growth

The global booming car market brings purchase orders to Taiwanese component suppliers. Sumeeko is a Tier 1 supplier for GM and Chrysler, and a Tier 2 supplier for Tesla and Toyota in N. America. Not only did its revenue and profit reach a new high, but its 5-month accumulative revenue also grew nearly 30% compared with the corresponding period last year.

Sumeeko started business as a small-size company and later became an OEM fastener supplier for major car manufacturers in Europe, the U.S., and Japan. It received GM's "Supplier of the Year" award in two consecutive years since 2012. It is the only Taiwanese company to have received this award. Although Sumeeko has rented a plant in Dafa Industrial Park, it is still looking for proper land for further expansion near the current plant, considering the fact that clients continue to place more orders this year. Turning to the focus on China of investors and shareholders, new car sales have been over 20 million mark, meaning China has replaced the U.S. as the largest car market in the world. Recently Sumeeko has been evaluating when and how to enter the Chinese market or get in there by acquisitions to ensure its sales growth.

Russian Fastener Market Demand to Reach US$1.83 Billion by 2016

Russian fastener industry in the most recent years has greatly benefited from the stable and healthy growth in the automobile production and the fast growth in lightweight jetliner manufacturing industry. Russian market demand increased from US$1.11 billion in 2006 to US$1.45 billion in 2011 (with a CAGR of 5.5%).

It is expected by 2016 Russian fastener market demand will be US$1.83 billion. In 2013, Russian fastener market demand was expected to be US$1.59 billion, making Russia the largest market for industrial fasteners in Eastern Europe (automotive fasteners represented the largest share, followed by other fasteners used in machinery and electronics applications). However, as not many investments have recently been proposed in the region, local Russian fastener manufacturers seldom renovate their manufacturing facilities, indirectly impeding the development of the industry.

Meanwhile, fastener production in Russia is still far away from fully satisfying its domestic market demand, and that is why the fastener import continues to increase. The value of fastener import of Russia in 2013 reached US$0.96 billion. Its major imports of origin were China, Germany, Belarus, and Taiwan. In the same year, Russian export value of fasteners reached US$0.135 billion.

The major destinations of shipment were Kazakhstan, India, and Belarus. Due to positive factors (like the joining of Russia into WTO, potential fast growth in automotive and related industries, reinforcement of Russia's military force and overseas weapon sales, all of which may benefit the development of aircraft, vessel, and other military facilities), the demand for industrial fasteners in Russia is expected to reach US$1.83 billion by 2016.

Japanese Steel Companies to Boost Automotive Wire Production in Asia

In order to cope with the increasing car production in Asia, Japanese steel giant Kobe Steel plans to increase production of wires used for engine parts and fasteners. It will invest 2 billion yens in its China-based joint venture, Kobe Special Steel Wire Products (Pinghu) Co.,Ltd, for new equipment installation. The new manufacturing equipment is expected to start operation in 2015, pushing the annual wire capacity from 30 thousand tons to 50 thousand tons and driving Asia wire capacity up by 10%.

The investment targets wires for high-strength bolts, bearings and other critical automotive components. A car uses around 250 kg of wires on average. Kobe Steel is a major maker for automotive wires with production bases in the US and Asia and a total of 250 thousand annual overseas capacity of wires. Statistics show that in 2013 Asia (including Australia) car capacity grew 4.6% to 45.75 million units, which was 52% of the global capacity, 2.3 times more than European capacity, and 3.4 times more than N. American capacity. Volkswagen announced the establishment of 2 plants in China with 500 thousand annual capacity for each; Nissan's new plant in Dalian City is expected to start operation this year.

Apart from Kobe Steel, Nippon Steel & Sumitomo Metal decided to invest 3.2 billion yens in a new wire plant in Jiangsu Province, which is expected to start operation in June 2015. This is because China's current wire capacity is over-loaded.