

# Fastener World News

compiled by Fastener World Inc.

## U.S. DoC Determines That Steel Nails Imported from Taiwan are Without Subsidies

On May 14th, 2015, U.S. Department of Commerce (DoC) announced the final determination on the dumping and subsidies investigations on certain steel nails originating in Taiwan. In terms of subsidies, the DoC holds the same view as made in the preliminary determination, which rules that Taiwan does not subsidize these products. In terms of dumping, the DoC determines that Taiwanese "Kosunail" is not involved in dumping and "Pro-Team Coil Nail" should be subject to a duty of 2.24%. The duties for Taiwanese companies are the lowest in comparison with the duties for companies in other countries including Vietnam, South Korea, Malaysia, and Oman.

Country	Anti-dumping duty (final)
Taiwan	0%-2.24%
South Korea	0%-11.8%
Malaysia	2.61%-39.5%
Oman	9.1%
Vietnam	323.99%

## Global Industrial Fastener Demand to Reach US\$104 Billion by 2020

According to a recently released market report by Grand View Research (GVR), the global industrial fastener demand will reach US\$104 billion by 2020.

In this report, 3 categories of fasteners (incl. externally threaded fasteners, aerospace fasteners, and other standard fasteners) were analyzed. The report pointed that, owing to the increasing fastener demand of the automotive industry, the global industrial fastener demand will demonstrate a substantial surge in the following 6 years.

GVR said that, with the economic growth and industrial development of the US, China, Brazil, Russia, Poland, and India, the building industry within all these countries will continue to grow, thus increasing the demand for fasteners. In addition, the growth in electronics/electrics, aerospace/aviation, machines, MRO, and automotive markets will also create more demand for fasteners.

The development of rail fasteners is also expected to create a new business realm and can help enhance processing technologies and mechanical performance.

## Made-in-China 2025 Starts with Standardization of Screw Production

Recently a company in Hefei City of China started to replace human with machinery in its production, but ended up in a catastrophe. Because screws made in China are not fully standardized, those standardized and programmed robots have a difficult time in fastening the screws accurately, which ends up in producing a lot of unqualified products. In the past, unstandardized screws were not a big problem to production because the human hand could sense whether the screws were fastened tightly or not. Now, the screws become the barrier to the project for replacing human with robots.

"Made-in-China 2025" announced by China State Council beginning this year clearly states the innovation-oriented plan to promote transformation and upgrade for the manufacturing industry.

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The plan is not simply replacing human with robots. It starts with screw standardization and extends to improve standards and regulations for industrial production. In this way China can shift from pure manufacturing to smart manufacturing.



### Universal Supply Company Acquires A&C Supply

Universal Supply Company, a subsidiary of US LBM Holdings, LLC ("US LBM"), announces the acquisition of A&C Supply from Fred Lindsay who, along with current employees, will join the Universal team and launch the new Universal Fasteners brand.

Originally founded in 2003 by Fred Lindsay, A&C Supply is a premier distributor of construction fasteners, tools and supplies to framing contractors, builders and remodelers in the Delaware Valley.

"The team at A&C Supply is extremely excited to be a part of Universal Fasteners," said President Fred Lindsay. "This is the perfect opportunity to expand our business and provide fasteners, compressors, safety equipment, scaffolds, ladders, sealants, adhesives, specialty tools, and repair services to the entire Universal Supply marketplace."

Jeff Umosella, COO of US LBM and President of Universal Supply, states, "The formation of Universal Fasteners supports the US LBM strategy to diversify our specialty product categories and customer base. The experience and professionalism of the

A&C team will fit seamlessly into the Universal Supply family."

Universal Supply was founded in 1965 by Joseph Umosella, Jr. with one part-time employee, one pallet jack and a small building. Today, Universal Supply has over 248 employees and thirteen locations that reach into the markets of Southern New Jersey, Pennsylvania and Delaware. Universal Supply has become the premier source for building and remodeling products and services in southern and central New Jersey.



### Acklands-Grainger Opens New Toronto Distribution Center

Acklands-Grainger Inc., Canada's largest distributor of industrial, safety and fastener products, hosted a grand opening on Thursday to celebrate its new Toronto distribution center located in the town of Caledon, Ontario. The state-of-the-art 535,000 square-foot facility has the capacity to stock 170,000 products and serves customers throughout Canada. Customers in Ontario, Quebec and Atlantic Canada will benefit from next-day delivery through this distribution center.

Acklands-Grainger has more than 130 team members working in its Toronto distribution centre, and currently operates 187 branches and distribution centres across Canada, including 40 in Ontario.



▲ Taiwan's Premier Chih-Guo Mao presents the 3rd Mittelstand Award to President Yong-Fang Tsai of INTAI (right)

### INTAI, the Pioneer in Device for Minimally Invasive Surgery, is Presented with "3rd Mittelstand Award"

INTAI started its business as a manufacturer and provider of metallic fasteners and fastener packaging service. When its competitors in the industry still focused on mass production of standard fasteners, it had already begun the development of automatic screw packaging machines with the fastest speed in the world. With years of experience in metal processing and technology, it has successfully tapped into the medical instrument and RF microwave industries and was bestowed the "3rd Mittelstand Award" this year.





## Field Fastener Pays Staffers Who Volunteer for Worthy Causes

Field Fastener Supply Co. has made an unusual benefit available to its workers: A full workweek of paid time off to volunteer five days a year on behalf of worthy causes.

"About 10 years ago, I started to travel with my family on a mission to Haiti for a week once year and I found it very rewarding," he said. "I thought, 'Here, I have this opportunity as the principal of a business to travel and serve, why don't others have the chance to do that?' So we decided to offer it as a benefit and allow others to volunteer while taking some time from work," Chairman Bill Derry said.

Bill and Jim Derry purchased the fastener engineering, inventory management and supply-chain solutions company in 1990. They have grown it from a 12-man shop to a company of 78. They have acquired companies in Texas and Mexico that employ 50.

## Taiwan Maintains Stable Fastener Exports in H1 2015

According to the statistics of Taiwanese Customs, from Jan. to Apr. 2015, Taiwan exported 0.53 million tons of fasteners (incl. nails), up 3.94% over last year's corresponding period. Calculated by value, Taiwan exported over US\$1.3 billion fasteners, up 2.65% over the same period last year.

In April, Taiwan's fastener exports to Germany, Netherlands, UK, Italy, Poland, Sweden, France, and Japan (calculated in value and weight) all declined, which is a clear sign that the depreciated currency did cause direct impact on Taiwan's exports. However, other Taiwan's exports in the same month to USA, Canada, Russia, Belgium, Mexico, Australia, Thailand, Saudi Arabia, and Vietnam all demonstrated growth, especially the 109.55% growth in export to Saudi Arabia.

Taiwan's title as the "Fastener Export Giant" is not a surprise. Even in the turmoil of global economic conditions, it made quick responses in a flexible way that finally helped it disperse risks in the market, which is why Taiwanese fastener industry was not defeated by the currency war starting at the end of 2014.



## Sheh Kai Develops New Anchors with High Gross Margin

Taiwanese leading bi-metal screws manufacturer Sheh Kai Precision Co., Ltd., after getting away from the entanglement of EU's antidumping measures, has successfully developed a new type of anchor, which is expected to create a gross margin of up to 35% and is currently in the process of applying for EU's certification, offering a promising future to the company. A market survey reports that Sheh Kai has a high-level technical engineering capability and it has effectively gained its own share and unique competitive edge in the global market (especially in Europe) with the famous bi-metal screws.

General manager Lin said that Sheh Kai's major products (bi-metal

screws) were once greatly influenced by the EU's antidumping measures and were subject to a duty rate of up to 23.6% before it has been successfully excluded from the measures. As of now, the competitive edge of Sheh Kai in Europe has greatly increased. Lin also added that as the bi-metal anchors Sheh Kai developed for various concrete wall applications are with high quality, it has gained lots of orders from USA and Australia.

## Tesla's and Sumeeko's Stock Prices Hike Up

Most market analysts think that 2015 will be a prosperous year for Tesla. With the surge in Tesla's stock price, Sumeeko's stock price also showed a 4.8% growth. Sumeeko is a fastener supplier for Tesla. In 2014, only 4% of Sumeeko's revenue was contributed by Tesla. However, with the sales growth of Tesla, the items of products Sumeeko provides to Tesla will increase to 75 and Tesla will represent 7-8% of Sumeeko's revenue.

In addition to Tesla, Sumeeko's largest customer, GM, will also need the new chassis parts from Sumeeko after the end of Q2 2015 and GM's factory in Egypt will also need Sumeeko's products after 2015. It is estimated that GM's total revenue in 2015 will grow 30%. On the other hand, Sumeeko has also sent a batch of parts especially designed for Audi's roof racks for lab testing and expects to put this product into mass production at the yearend of 2015, which may contribute USD2 million to the total revenue of Sumeeko in 2016.





## Chu Yu Reports Sales Surge

The leading fastener manufacturer Chun Yu Works & Co., Ltd. reported in the 1st quarter of 2015 a surge in its sales result better than that in the corresponding period last year. The current order backlog has been scheduled to July this year. Moreover, with the acquisition of product certification and the demand for railway fasteners of Macau and Kaohsiung Light Rail, and Taiwan High Speed Rail, the company now shows a very promising future.

One market survey reports that the operational result of Chun Yu in the 1st quarter of 2014 grew over 20% over the same period of the previous year (which was then at a "peak" status) and also reports that the result in the 1st quarter this year was up at least 7% over last year's record in the corresponding period.

The market survey also reports that Chun Yu's factories in Taiwan and Dongguan have been both certified by the International Railway Industry Standard (IRIS) and are active in finding business opportunities from the construction of Macau and Kaohsiung

Light Rail, railway construction in China, and the steel structure of Wuhan skyscrapers.

Vice general manager Chen of Chun Yu said that fasteners can be used in various applications including bicycles, furniture, steel structure, and bridges. "You name it, we make it," Chen added. Chun Yu has paid much attention to construction fasteners in recent years and has gained a wealth of successful results.

## Leading Auto Fastener Maker Boltun Reports Record-high Revenue

Boltun Corporation is a company specialized in automotive screws and nuts. Its revenue in March reached NT\$1.047 billion, with a year-on-year ratio of 184%. Quarterly revenue was also reported to demonstrate a remarkable growth margin of 139%.

Boltun is a manufacturer having large-scale production lines for both screws and nuts and also has a smooth distributing network around the world. It has been approved by several globally leading car manufacturers and auto parts factories such as Shanghai Volkswagen, Shanghai GM, Dongfeng Nissan, Ford Q1, TRW, Benteler (manufacturing chassis), and Dana (the largest transmission plant) to supply products to them. In 2013, it was even approved by the German HQ of VW to supply directly to VW's assembly plants around the world (an upper level over T1 and is the only Asian fastener factory which has been approved by VW's HQ), which is said to be an announcement of Boltun's official entry to the supply chains of 11 VW Group's car brands such as Volkswagen, Audi, Skoda, and Porsche.



## San Shing Reports Fair Q2 Operation Owing to Shipments Influenced by Late European Orders

As San Shing's shipments were somewhat influenced by late European orders, its combined revenue in April and May declined and the operating result in Q2 did not show any sign of recovery. Market analysts forecast that San Shing's gross profit in Q2 may be slightly lower than that in Q1 owing to weak euro; however, the non-operating loss is expected to turn well from Q1. The total orders placed to San Shing in Q3 will be quite equivalent to those in Q2, but everything cannot be so clear before the actual shipments result is announced.

San Shing is the largest automotive nut manufacturer in the world and its products are mainly shipped to Tier 1 fastener suppliers of car manufacturers. Its nuts sales currently represent 50-60% of the total revenue, screws sales represent 10-20% of its total revenue, and wires/molds represent the rest of the proportion. Although San Shing announced extra capacity this year, its profit was still reduced owing to depreciation of euro.

## PT Garuda Metalindo to Collect IPO Funds for Rp 375 Billion

Manufacturer of fasteners and cold forging parts PT Garuda Metalindo aims for an initial public offering fund of Rp 375 billion, which will be achieved despite the declining automotive industry. However, the situation and the condition does not preclude a person to meet the needs. Priced at USD 550-800 per share from the issuance of 468 million new shares.

IPO proceeds will be made to a number of needs, 20 percent for working capital, and 52 percent for debt refinancing, and the remaining 28 percent for capital expenditure. 28 percent were prepared for short-term needs, namely the improvement for automation systems and financing one of the new products automotive demand. For the medium term, the company will anticipate growth in the automotive industry by increasing capacity for the needs for four-wheeled automobile.

“The automotive industry is forecast to grow 100 percent in 2020 to 2 million units. Then to 3 million units in 2025,” said Finance Director of Garuda Metalindo Ervin Wijaya. First quarter 2015 performance is beyond expectations despite the economic downturn and the slowdown in the automotive growth. Future growth is believed to be better.



### Gram Strategy to Achieve Optimal Weight Reduction

Mazda currently puts emphasis on the optimal weight reduction of the all-new Mazda MX-5 model in its latest TV commercial. As the most popular small-size convertible automobile model, Mazda should, of course, do whatever it takes to achieve the best performance of its new MX-5 model. The MX-5 released in the European market weighs 998kg in total per vehicle, so it has never been easy to

achieve a 50:50 weight distribution when a driver is also sitting in the car and the goal of super lightweight.

Engineers of Mazda are now using “Gram Strategy,” which means the addition of any extra gram of weight has to be avoided. The simplest example should be screws. Torx screws (which demonstrate the same function with less head areas compared to other screws installed on the right side of the car) are installed on the left side of the MX-5. As each of these Torx screws is 8g less than other generally used ones, a car in need of thousands of screws can thus achieve more weight reduction. That is why MX-5 can weigh the same as its first-generation model but with more powerful performance.



### Flexco Names Aaron Rosso Senior Product Manager, Heavy-Duty Mechanical Belt Fasteners

Aaron Rosso recently joined Flexco as Senior Product Manager, Heavy-Duty Mechanical Belt Fasteners. In this role, Rosso is responsible for managing the global Heavy-Duty Mechanical Belt Fastener program for Flexco, including the program vision and strategy, product development plan, product line portfolio, promotion, PR and communications, pricing, and profitability.

“I am confident that Aaron will be instrumental in successfully managing the many products within the HD MBF product offering and continue to grow this important area of Flexco business,” Chip Winiarski, Director of Marketing – Heavy Duty, said. “His hands-on approach and enthusiasm will be a welcomed addition to Flexco and the marketing team.”

Rosso brings with him years of experience in product management, product development, and marketing strategy. He is hoping to apply his diverse background and unique perspective in his role at Flexco, while getting to know all the people who have made Flexco what it is today.

“The people who work at Flexco undoubtedly have a shared passion and excitement for their work,” Rosso said. “I look forward to working in an environment that is continually looking for opportunities to improve and grow.



### Pinghu Dragon Fastener Going Listed in Shanghai Stock Exchange

Since June 8th of 2015, Pinghu Dragon Fastener Co., Ltd. was officially registered in Shanghai Stock Exchange and can be traded publicly. President Gu of Pinghu Dragon Fastener and other directors all attended the public listing ceremony of the company.

President Gu said, “The listing in Shanghai Stock Exchange helps Pinghu

Dragon Fastener win a ticket to the capital market and consolidates a solid base for the next step of the company. Pinghu Dragon will fully utilize the capital market to integrate resources, optimize corporate structure, accelerate developments, and enhance its core competitiveness.”

Pinghu Dragon was founded in 1978. Through years of development, it has become a professional manufacturer and exporter of nuts, flat washers, and stamped parts. The specifications of its nut production are in sizes of M3-M24 and the annual production of nuts reaches 9,000 tons; the specifications of its high-strength washers are available in sizes of M1.5-M110 and the annual production of high-strength washers and stamped parts reaches over 8,000 tons. The total production of Pinghu Dragon Fastener in 2013 was RMB0.13 billion, up about 10% over last year's production value.

Every year Pinghu Dragon Fastener can develop 3 to 4 new products. It now has 28 patents including 5 for new inventions. 95% of its products are for export and some of these exported products are even used by Russian military industries.

### **Würth Group Successfully Issues EUR 500 Million Benchmark Bond**

The Würth Group took advantage of the favorable conditions in the capital markets to acquire long-term funds and very successfully issued a EUR 500 million euro bond in the market on 11 May 2015 through its financial company Würth Finance International B.V., based in Amsterdam, Netherlands.

The bond with a maturity of seven years carries an interest coupon

From left to right: Günther Müller, Philippe Graber, Dr. Frank Hilgers, Aldo Pollinger, René Rieder – Geschäftsleitung KVT Fastening Gruppe ▶

of 1.00 percent p.a. and is secured through unconditional and irrevocable guarantees of Adolf Würth GmbH & Co. KG, Germany. Rating agency Standard & Poor's has given the bond an "A, outlook stable" rating.

## **BOSSARD**

### **Bossard Expands in France**

The Bossard Group is strengthening its market position in France as a supplier of high-quality fastening solutions. It is taking over an area of activity from Titanox that generates annual sales of EUR 6 million. Bossard is already present on the French market at four sites with a total of 130 employees. This partial acquisition complements the product range with fastening solutions for application in demanding industries. The parties have agreed to keep the acquisition price confidential.

The company Titanox has decades of experience in fastening technology. Since 1975, it has focused on the distribution of fastening solutions and holds a strong position in the French market. Bossard is taking over Titanox's division for self-clinching fasteners, which makes the connection between ultra-thin and ultra-light metals possible. Self-clinching fastening solutions are used in many different industries, such as electronics,

telecommunications, railway and automotive, as well as medical engineering and aerospace.

With this latest acquisition, Bossard not only consolidates its market position in a national economy that is characterized by a broadly diversified industrial sector, but also strengthens its longstanding business relationship with PennEngineering (PEM). PEM is the world's leading manufacturer of self-clinching fasteners. With this acquisition, Bossard will become PEM's exclusive distributor in the French market.

### **Frank Hilgers to Join Bossard Group's Management**

The Bossard Group is expanding its Executive Committee: Frank Hilgers will be joining the ranks of the Group's Executive Committee with effect as of May 1, 2015. As part of the expansion of the business activities, Frank Hilgers will take over the group-wide responsibility of category management for brand products and engineered fastening solutions.

Frank Hilgers joined the Bossard Group with the acquisition of KVT-Fastening, and heads these business units since December 1, 2012. Before joining Bossard, Frank Hilgers was a member of the KVT-Koenig management team in charge of sales,



product management and the fastening systems division.

Frank Hilgers studied chemistry and obtained his doctorate from the University of Stuttgart. He continued his professional studies at Kellogg University as part of an Executive MBA.

## SPIROL Receives 2014 General Motors Supplier Quality Excellence Award



SPIROL International Corporation is pleased to announce the reception of General Motors 2014 Supplier Quality Excellence Award for achieving operational excellence and quality control at their Connecticut manufacturing center.

According to GM, “suppliers who receive this award have met or exceeded a stringent set of quality performance criteria and have achieved the cross-functional support of the entire GM organization. The award recognizes those suppliers who have demonstrated the highest levels of quality performance over the past 12 months”.

SPIROL’s Ontario manufacturing center has also received this Supplier Quality Excellence Award. As GM has more than 2,300 North American suppliers, these are significant achievements and a testament to SPIROL’s operational excellence and quality control considering the millions of parts supplied to General Motors from SPIROL’s global locations.

## Birmingham Fastener Reaches An Asset Buying Deal with Vulcan Steel Products

It is reported that the Alabama-headquartered Birmingham Fastener, which manufactures custom and standard nuts and bolts, has recently announced the agreement with Vulcan Steel Products based in Alabama, which manufactures threaded rods and threaded bars, to buy part of the assets in Vulcan’s Pelham-based facilities (including finished products in inventory, materials, and processing & manufacturing equipment). Birmingham Fastener purchasing these products and equipment will be moved to Birmingham Fastener’s facilities in Birmingham. The detailed value regarding the transaction cost has not yet been disclosed.





### **Nipman Fastener, Korea's IL-Ryung Ink Pact on Auto Components**

Auto fastener and components maker Nipman Fastener Industries has entered into a technical tie-up with South Korea's IL-Ryung Co to manufacture steering components and sub-assemblies at an investment of about USD 35 million.

The manufacturing facility to produce components will initially be in NCR region and may be expanded later to serve the prospective customers better, Nipman Fastener Industries said in a statement. Production under the new collaboration is expected to start in the last quarter of the current financial year and the project, once completed, will have a potential to generate a business of about Rs 350-400 crore, it added.

Nipman, which makes standard as well as special fasteners, studs and other cold forged components for engines, has four manufacturing plants. IL-Ryung is an over 50-year old company supplying variety of components and sub-assemblies for four wheelers. Its turnover during the previous year amounted to USD 87 million.

It has state-of-the-art facilities and has been a preferred supplier for global requirements of numbers of OEMs like, Hyundai, Kia, SsangYong, General Motors, etc.



### **Brazilian Domestic Flight Reports Loosening Window Bolts**

A Brazilian man named Eduardo Caram found a window bolt installed on the flight operated by TAM Airlines from Rio de Janeiro to São Paulo that seemed to be loosening before take-off and he could easily take the entire window down from the window frame, "Mirror" tabloid reports.

Caram said that he had informed the cabin crew of the loosening bolt when he saw it the first time. However, one of the cabin crew told, "It was the bolt installed on the inner side (not the outer side) of the window that was found to be loosening, and this problem would not affect the flight safety." When the flight successfully landed at the airport, Caram could finally feel relieved and everyone was safe. TAM Airlines has no response to this report.

### **Brazilian Automobile Production During Jan.-Apr. 2015 Totals 0.88 Million, 17.5% Less Than 2014's Corresponding Period**

The automotive industry is one of the most important industries of Brazil. However, owing to the stagnant domestic economy of Brazil, the production and sales of that country from Jan. through Apr. 2015 demonstrated a substantial decline. According to ANFAVEA (an automotive

manufacturers association in Brazil), the total production of small-size vehicles (incl. sedans and lightweight commercial vehicles), buses, and trucks in Brazil from Jan. to Apr. this year declined 17.5% from 1.06876 million units of 2014 to 0.881774 million units (small/medium-size vehicles: 0.841850 million units, -14.6% over the same period of 2014/ trucks: 30.177 thousand units, -6.9% over the same period of 2014 / buses: 9,747 units, -26% over the same period of 2014). From Jan. to Apr. this year, the total sales of Brazilian made small-size vehicles, buses, and trucks and other vehicles imported into Brazil totaled 0.893630 million units, down 19.2% from the same period of 2014.

### **Toyota to Establish the Largest Parts Distribution Center in the Middle East/ N. Africa Region**

Toyota has recently announced that it plans to establish a new parts distribution center in Egypt. When the construction is completed, it will be the largest parts distribution center in the Middle East and North Africa region, which can provide service for more than 0.5 million units of vehicles.

The center is situated in Sadat City with the net floor area of 30 thousand sq. m. The new center is expected to be inaugurated in 2 years. The construction of this center is one part of Toyota's business expansion in Egypt. ■

