

Brexit will not Impact Taiwanese Fastener Industry in the Short Term but in the Long Term

In a report by the Ministry of Economic Affairs (Taiwan), the fastener industry of Taiwan states that UK's exit from the EU (so-called as "Brexit") will not impact the industry in the short term, whereas the hand tool industry states that UK's drop in domestic demand and the change in the exchange rate will pose an impact. Automotive component makers say that there will be more trade barriers in the European market and that their short-term sales will decrease. Machinery makers say Brexit does not obviously affect the industry for now, but they are concerned about the possible demand slowdown in the long term.

After the referendum, the UK will have to re-negotiate with South Korea on FTA, and accordingly Taiwan will have a chance to compete with South Korea fairly. In 2015, Taiwan exported USD 3.78 billion worth of goods to the UK, including mobile phones, screws, nuts, bikes, and automotive components. The value accounts for 1.35% of Taiwan's total export value. UK is Taiwan's 3rd largest export destination in Europe.

**BULTEN**

Bulten Signs Additional Contract with Major Russian Automotive Manufacturer

Bulten has, through its joint venture in Russia, signed another contract to supply fasteners to a major Russian vehicle manufacturer. The annual order value is approximately EUR 700 thousand and deliveries will continue over a number of years, with start and ramp up during 2017. Full volumes are expected to be reached in 2018. "With this contract, we have made a significant breakthrough in the Russian market and further strengthened our position as manufacturer of high quality fasteners. We see good opportunities to continue to grow the business and increase our market share," says Tommy Andersson, President and CEO of Bulten. Deliveries are expected to start in the second quarter 2017 to gradually increase up to full capacity in 2018. After that, deliveries will continue over a number of years related to the life span of the vehicle, which is normally between 5 to 10 years, with a gradual slowdown as the contract nears its end. The full annual value is expected to reach EUR 700 thousand in 2018 and then follow the life span of the vehicle and the volume curve.



16 Fastener Distributors Honored with 2016 MDM Top Fastener Distribution Companies Awards

Modern Distribution Management has recently selected 16 companies in the fastener related distribution field to be awarded the 2016 Top Fastener Distribution Companies Award, in recognition of their outstanding achievements in the distribution industry. These companies are: Bisco Industries, Bossard America, Copper State Nut & Bolt, EFC International, Endries International (a Wolseley Industrial Group company), Kimball Midwest, KLX Inc., Lawson Products (Fastening Systems), McMaster-Carr, MSC Industrial Supply, Optimas OE Solutions, LLC, The Fastenal Company (fasteners), The Hillman Group, W.W. Grainger, Wesco Aircraft, Wurth - Americas.



ZF Increases Profitability in the First Half of 2016

ZF Friedrichshafen AG has continued its good business development in the first half of 2016. In the first six months of 2016, sales increased to €17.8 billion and the adjusted operating profit (EBIT) rose to €1.1 billion, while net debt was reduced to €7.2 billion. The business figures can be compared with the prior-year period only to a limited extent as the first half of 2015 was essentially characterized by extraordinary items: the acquisition of the U.S. automotive supplier TRW and the sale of the 50 percent share in ZF Lenksysteme.



Welcomes New CFO

IVISYS AB (IVISYS) has throughout August been welcoming several new staff members, including a new Chief Financial Officer (CFO). The responsibilities of the newly appointed CFO – Vagn Svinding – were previously covered by CEO Jakob Kesje.

IVISYS' new CFO Vagn Svinding will strengthen the company with regards to controlling, cash-management and reporting. Vagn Svinding brings many years of experience with financial management to the company. The employment of a CFO will allow CEO Jakob Kesje to focus even more on the commercial development of the company.

Receives Test Order from Global Manufacturer of Metal Components

IVISYS AB has received a test order from a global manufacturer of metal components headquartered in Japan. The order concerns a solution for very accurate in-line part measurement with tolerance levels down to 0.03 mm. The order is expected to be delivered in Q3 2016.

The test order is for a solution similar to IVISYS' Advanced Conveyor Inspection Station, which is tailored for executing in-line inspections. The size of the test order is small and will not significantly impact the financial results of the company. "We are very pleased to receive this test order. The market for this type of in-line measurement is growing rapidly, since it is fairly new that vision systems have such capabilities. We look forward to delivering this test order for our new client as we are confident that we can meet the very demanding requirements regarding tolerances," says IVISYS' CEO Jakob Kesje.



Würth Generates EUR 5.9 Billion in the First Half Year of 2016

In the first half of 2016, the Würth Group increased sales to EUR 5,927 million. This corresponds to a growth of 8.6 percent over the previous year. Growth in local currencies amounts to 10.0 percent. The global market leader in assembly and fastening technology reports very strong growth in Southern Europe and can therefore link up to the positive development of past quarters.

The German Group, too, reports an 8.1 percent growth. "All in all we are satisfied with the development of the Würth Group", says Robert Friedmann, Chairman of the Central Managing Board. For the overall year 2016, Würth expects a sales increase of roughly EUR 11.9 billion and reckon with an adequate development of the operating result.

Böllhoff's Investment Plans Progress



Plans are moving forward on a nearly \$1 million investment by a Kendallville fastener manufacturer. The city's economic development advisory committee has approved a tax abatement request from Böllhoff Inc. The company currently employs 45 and the investment does not include any additional jobs. The two new machines will boost production capacity for an Italian auto maker client. Böllhoff is located in the city's East Industrial Park. Director of Operations Chris Lautzenhiser said the company could add more equipment, jobs and a third shift within the next two to three years.

NORD-LOCK® Acquires Expander Group

Nord-Lock Group (Sweden) has acquired 100% of the Expander Group from owner Roger Svensson. Expander Group consists of Expander System Sweden AB, and associated subsidiaries in Sweden, USA and Germany. The Expander Group specializes in the design, manufacturing and sales of the Expander® System, an expandable pivot pin system, for heavy machinery and equipment.

Roger Svensson, founder of the Expander Group, comments: "I believe that the Expander System technology has significant international growth potential. As part of the Nord-Lock Group, with its global footprint and excellence in technical sales, I am confident that the Expander Group has the best possible conditions for continued expansion and success".

Ola Ringdahl, CEO of the Nord-Lock Group, comments: "We are excited by the acquisition of Expander. The Expander System pivot pin technology fits perfectly in our portfolio of secure bolting solutions. We have many customers in common already today and I see interesting sales synergies. I am very pleased to welcome Expander into the Nord-Lock Group."

Fastenright Extends its Operations

Fastenright will be adding a third warehouse to its operation to ensure it has always enough stock on hand for its clients. It expects to have the additional storage up and running by October. Fastenright specialises in the supply of stainless steel fasteners to the industry, which it imports from approved suppliers in Europe and the Far East.

Managing director Lutz expressed that because of the excellent relationship with their suppliers, they are able to source any fastener in any material, and says that enquiries for non stainless steel products are also welcome.

"We are constantly extending our product range beyond the normal bolts and nuts – special products for the solar and maritime industry, which are in stock and can be ordered in-house," says Lutz.

"We have received countless prizes for excellent customer service. This is what companies really notice and continue to compliment us about. A few large (and very well-known) companies that have awarded Fastenright service excellence awards include the leading Catamaran producer in Cape Town, as well as a Paarl-based fabrication and stainless steel expert. These companies have awarded us for great service excellence for two years in a row now," says a proud Lutz.



Vossloh Wins Additional Large Rail Fastening Systems Order for High-speed Line in China

- Order volume of approximately €50 million
- Shipments to start at the end of 2017

VFSC (Vossloh Fastening Systems China), the subsidiary of Vossloh's Core Components division based in Kunshan, China, has won another tender for high-speed fastening systems worth approximately 50 million. The order is divided into two tranches. Vossloh Fastening Systems China will supply the route from Qingdao City to Ji Nan City, a section of the approximately 700-kilometer connection from Qingdao on the east coast to Taiyuan, southwest of Beijing. Speed of up to 250 km/h is planned for this route. In Ji Nan, the line will be connected to the North-South line from Beijing to Shanghai.

BOSSARD

Bossard Announces Financial Results for First Half of 2016

The Bossard Group maintained good growth in the first half of 2016 in a market environment that continued to be challenging. Sales grew by 2.1 percent over the previous year to CHF 343.6 million. Fortunately, the positive growth dynamics enabled the Group to boost the sales in the second quarter by 3.3 percent (0.9 percent in the first quarter). The European business, which accounts for around 60 percent of total sales, contributed significantly to the Group's growth. Against this backdrop, the net income rose by 5.6 percent to CHF 31.3 million. Bossard grew half-year sales in the European business by 4.4 percent to CHF 207.7 million (up by 2.3 percent in local currency) compared to the same period in 2015. Key markets such as Germany, France and Denmark logged above-average growth rates;

In America, compared to the previous year, sales for the first six months fell slightly by 0.9 percent to CHF 86.4 million (a 4.5 percent drop in local currency). In Asia, sales decreased in the first half of the year by 1.4 percent to CHF 49.5 million; in local currency this resulted in a plus of 1.6 percent. In China, our largest market in Asia, demand remained sluggish. However, the slight sales drop in this market region was more than compensated by additional business in other countries. The progress of our activities in India, Taiwan, and Singapore is particularly promising.



Sweden-Based Henrob Group Opens Self-piercing Rivet Manufacturing Plant in New Hudson, Michigan

Henrob Group, a brand within the 143-year old Swedish-based Atlas Copco Industrial Assembly Solutions Division in the Industrial Technique Business Area, opened its new 125,000 square foot self-piercing rivet production facility in New Hudson, Michigan.

Established in 1985, Henrob designs and manufactures self-piercing rivets and rivet installation systems to provide assembly joining solutions for automotive and general industry customers. As a result of this expansion, Henrob will add up to 50 employees in the areas of rivet production and rivet setter upset die production, company officials said.

"With Ford utilizing our solutions for the new aluminum body F-150, we needed to increase capacity to keep up with demand," said Mark Ayres, General Manager, Henrob Group. Prior to starting production in the new building, the rivet production capacity of the existing facility is three billion rivets per year.



Receives Torx® Drive System World Class Quality Award for the Eighth Straight Year

Semblex has been selected to receive the Torx® Drive System World Class Quality Award. This award is presented to only a select number of Torx® licensees who meet the quality, workmanship, and audit expectations for the Torx® product. The criteria for this award includes 100% acceptance on the annual product audits for dimensional and workmanship attributes with on-time submission to these audits, good standing as a licensee, on-time gage re-certification, and maintaining an internationally (ISO) recognized quality system. Semblex Corporation has been a Torx® licensee since 1995.

The Wrench Group Appoints Industry Veteran Ken Haines as Chief Executive Officer

The Wrench Group ("Wrench" or the "Company") announced that Ken Haines has been selected to assume the role of Chief Executive Officer effective July 1, 2016. Mr. Haines was formerly the President & CEO of Atlanta's Coolray Companies, one of Wrench's four regional brands. The Company will be headquartered in Marietta, Georgia.



The Company brings together four regional brands; Abacus and Berkeys in Dallas and Houston led by Alan O'Neil; Parker & Sons in Phoenix led by Paul Kelly; and Coolray in Atlanta will now be led by Paul Smith, collectively serving over 140,000 customers.

Haines is a 36-year industry veteran, having spent the past twenty years in a number of leadership roles. Coolray grew to one of the largest home services companies in the Southeastern United States under Haines' leadership.



D&S Industrial Fasteners Celebrates Opening of Washington, PA Storefront

D&S Industrial Fasteners, a Pittsburgh-area distributor of fasteners, safety equipment, chemicals, power tools, and industrial products, announced the grand opening of the company's first retail storefront in Washington, Pa. The new store, located on the Jefferson Avenue, will mark its

official opening with a two-day celebration. The event will feature hourly giveaways as well as informative, in-store demonstrations from the company's flagship product lines including Brighton-Best, Johnson Level, and Wright Tool. "This is a tremendous step forward for us," said Steve Celaschi, D&S Industrial Fasteners' managing partner. "We have always been primarily a business-to-business company, but the storefront gives us a new way to interact with and serve potential clients. "For years, D&S Industrial Fasteners has sold products directly to businesses from its Coraopolis, Pa. headquarters. Its customer base has ranged from independent contractors to large multinational firms such as US Steel, Ford Motor Co., and Walmart. In spite of the company's nearly 20 years in operation, Celaschi said, D&S Industrial Fasteners has never had a showroom or walk-in retail environment until now. Most of the best-selling items in his company's catalog, Celaschi added, will be available at the Jefferson Avenue location.



The BECK Fastener Group Expands Portfolio

The BECK Fastener Group is pleased to announce the acquisition of Solon, Ohio, based ET&F Fastening Systems, Inc., a leading supplier of fastening systems used by contractors for applications involving fastening interior and exterior building materials to light gauge steel. Pneumatic tool and fastener systems from ET&F Fastening are engineered specifically for fastening to steel. Speed is also an important factor. ET&F's Model 510 pneumatic steel framing tool can drive collated fasteners at a rate three to five times faster than traditional screw guns, saving contractors significant time and money. This pairs well with the SCRAIL fasteners which can be driven far faster than bulk screws, and even surpass the installation speed of ordinary collated screws.

All ET&F pins are made from high carbon heat-treated steel and have ballistic points to penetrate the hardest substrates. Many pins have knurled shanks to maximize holding strength in cold formed steel as thin as 20 gauge. Similar to products from the BECK Fastener Group, ET&F collated pins are designed for maximum installation speed. As a wholly-owned subsidiary, the entire product line of ET&F Fastening will also become available through FASCO America, the U.S. master distributor for products manufactured by The BECK Fastener Group.



Grainger Announces Next Step in CEO Succession Process

Jim Ryan, Chairman, President and CEO of Grainger, announced that the Board of Directors approved his nomination of DG Macpherson, currently Chief Operating Officer, to become Chief Executive Officer and a member of the Board of Directors effective October 1, 2016. This is the penultimate step in the multi-year succession process and will conclude with Macpherson taking on the Chairman role upon Ryan's retirement. Macpherson became COO in 2015 as part of the CEO succession process and as such, no replacement COO will be named. Ryan's transition will bring to a close a remarkable career of nearly 36 years of continuous service and eight years as CEO. Macpherson holds a bachelor's degree from Stanford University and an MBA from Northwestern's Kellogg Graduate School of Management. Early in his career, he was an operations manager for Rain Bird Sprinkler Manufacturing Company and a test engineer with the U.S. Air Force.

U.S. Rockford Products to Shut Down on Sep. 30

The Rockford, IL-based fastener products & service supplier, Rockford Products announced that it is going to shut down on Sep. 30th this year and 171 employees will be also laid off. Rockford was established in 1929 as a fastener manufacturer. After decades of operation, the company came into bankruptcy and was bought by the Detroit, Michigan-based Black Eagle Partners in 2007 for US\$30,000,000. However, according to the management of Black Eagle Partners, they did not see any return on the investment but continuous weak sales, making the company unable to pay off the debt and had to default on the payments. The CEO of Rockford Products said that the company has filed a "Worker Adjustment and Retraining Notification Act Letter with the State of Illinois and is seeking potential buyers right now. He added, "There is no time line for the sale."



High Road Capital Partner's Portfolio

Company All Integrated Solutions Acquires Great Lakes Fasteners

High Road Capital Partners announced that its portfolio company All Integrated Solutions (AIS) has completed the acquisition of Great Lakes Fasteners Corporation. Based in Grand Rapids, Michigan, Great Lakes Fasteners is a value-added distributor of fasteners and industrial components and provides vendor-managed inventory (VMI) programs to original equipment manufacturers.

"Great Lakes Fasteners' focus on custom VMI programs and high-touch customer service are a compelling fit with AIS," said Ben Schnakenberg, Partner, High Road Capital Partners. "This acquisition expands AIS's reach into Michigan and the automotive and material handling industries, and solidifies AIS's position as the leading independent distributor of industrial OEM components and MRO products in the Upper Midwest. "AIS's acquisition of Great Lakes Fasteners closed August 2, 2016. Transaction consideration was not disclosed.

PennEngineering®



Enters Into Agreement to Acquire Heyco® Products Inc.

PennEngineering® has entered into an agreement to acquire Heyco® Products Inc. (Toms River, NJ, USA). The acquisition is expected to expand sales growth opportunities for both companies. Heyco Products will continue to operate as a separate company under the PennEngineering corporate umbrella. The Heyco brand will remain unaffected. Bill Jemison, President of Heyco, will continue to lead the company with the existing Heyco management team.

The acquisition will diversify the PennEngineering product portfolio by expanding into engineered plastic fasteners, components and wire protection products. Additionally, Heyco will benefit from the wide range of resources that PennEngineering can provide." Founded in 1926, Heyco Products designs and manufactures molded wire protection products, plastic fasteners, molded components and stamped electrical components to meet the needs of industrial, medical, transportation, alternative energy, lighting, and aerospace companies.

Porsche Cars North America Statement Regarding 918 Spyder Recall

The original parts catalog for the 918 Spyder inadvertently transposed the locations for the screws which respectively secure the seat belt mount and the belt reel mount. These screws are one-time-use only and are not the same. We cannot rule out the possibility that, due to the mistake in the catalog, technicians who had to work on those components might have been led to install the wrong screw in the wrong location. In that event, the function of the seat belt system could possibly be impaired in the event of an accident. To prevent this risk, the fastening screws on the seat belt mount and on the belt reel on all 918 Spyder vehicles will be checked. Depending upon the result of the check, Porsche might replace the screws on some vehicles. In an abundance of caution, Porsche is treating this as a safety-related recall and will make contact with all owners. The mistake in the parts catalog already has been corrected.



Murphy Highlights Wallingford Manufacturer, Nucor Steel Connecticut, Inc., as “Murphy’s Monday Manufacturer”

U.S. Senator Chris Murphy (D-Conn.) launched a new weekly series called “Murphy’s Monday Manufacturer”, in which one of Connecticut’s distinct manufacturers will be recognized for their outstanding contributions to the state. This time Murphy announced that Nucor Steel Connecticut, Inc. of Wallingford for “Murphy’s Monday Manufacturer.” Nucor Steel Connecticut uses rolling and forming processes to manufacture a broad range of steel products for the construction, fencing, automotive, fastener, and agriculture industries. Nucor Steel Connecticut produces up to 300,000 tons of wire rod and rebar each year. Nucor Steel Connecticut actively recruits military veterans and students. Every Nucor employee and dependent of a Nucor employee is eligible to receive \$3,200 per year in scholarship funds to attend college or a vocational school. Additionally, Nucor Steel Connecticut supports the Wallingford Fire and Police Departments and is an annual sponsor of the Spanish Community of Wallingford. “There’s no question that Nucor Steel Connecticut is committed to manufacturing world-class products,” said Murphy. “But they’re also doing their part to keep Connecticut residents on the job and to help working families make the dream of going to college a reality. I’m proud to recognize Nucor Steel Connecticut as one of our state’s distinct manufacturers.”

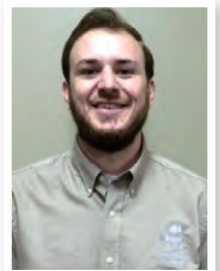


Acquires Kansas Plastics Company

Gary E. Sullo, Tramec, LLC President and CEO, announced the acquisition of Kansas Plastics Company, Wellington, Kansas, a custom manufacturer of injection molded components and assemblies. Kansas Plastics Company will align with Tramec LLC’s Tramec Sloan business unit adding injection-molding expertise to the company’s existing portfolio of diversified United States based manufacturing capabilities. Mr. Sullo said, “Our acquisition of Kansas Plastics Company positions Tramec Sloan with the ability to offer increased value to our commercial vehicle customers and allows us to present our existing manufacturing capabilities to Kansas Plastics Company’s customer base.” Kansas Plastics Company President, Richard Bloomer, stated, “The addition of Tramec LLC resources enables Kansas Plastics Company to accelerate growth for injection molded products and invest in the operation to support future technologies.” Mr. Bloomer remains with the company as Vice President of Operations.

NFDA Announces the June Fastener Training Week Scholarship Winner

The NFDA Board of Directors is pleased to announce David Presnell as the June scholarship winner for Fastener Training Week, an advanced fastener technical training program produced by the Fastener Training Institute. David works in inside sales at Fastener Supply (Greenville, SC). Applicants are evaluated based on the recommendation from their employer, personal achievements, work experience, and an essay. Identifying information is redacted, so the team evaluating the applications does not know the names or employers of those applying. The deadline to submit applications for the next Fastener Training Week Scholarship is December 1. The Fastener Training Week Scholarship program is a benefit for NFDA members only.



Higher Record for Mexico's Automotive Components Export in Q1 2016

In Q1 2016, the automotive components export of Mexico reached a record high level to US\$6.291 billion (YoY: 9.7%). One specialist from the Mexican related industry considered this to be the main contribution from U.S. and Canadian car manufacturing. During the same period (Q1 2016), the export value of other auto related industries in Mexico dropped by 2.8% from the previous year to US\$20.221 billion.

According to AMIA, the new car sales of Mexico in May 2016 reached 121,587 units, up 19.2% from the same corresponding period. The car production in May 2016 reached 279,508 units, down 3.1% from the same corresponding period. The car export in May reached 226,240 units, down 6.0% from the same corresponding period.

In the first 5 months of 2016, the total new car sales in Mexico reached 587,320 units, up 16.8% from the same corresponding period. The total car production in the first 5 months of 2016 reached 1,354,848 units, down 4.6% from the same corresponding period. In the first 5 months of 2016, the total export reached 1,080,358 units, down 7.1% from the same corresponding period.

To review by region: 820,460 units were exported to the U.S. (+0.3% from the same corresponding period; representing 75.9% of the total export volume). 70,862 units were exported to Latin American countries (-30.4% from the same corresponding period; representing 6.6% of the total export volume). 11,175 units were exported to Asia (-68.6% from the same corresponding period; representing 1.0% of the total export volume).

U.S. Bolt, Nut, Screw, Rivet, and Washer Market Analysis

IndexBox Marketing has just published a new report. The U.S. dominates in global imports of bolts, nuts, screws, rivets, and washers, accounting for a 13% share (based on USD). It was followed by China (9%) and Germany (9%). In 2015, U.S. bolt, nut, screw, rivet, and washer imports totaled 8,254 million USD, which was 240 million USD (3%) higher than the year before.

From 2007 to 2015, U.S. bolt, nut, screw, rivet, and washer imports showed mixed dynamics. A sharp plunge in 2009 was followed by steady growth over the next three years, until imports slightly decreased again. However, imports bounced back the following year and continued with a modest growth in 2015.

China was the key supplier of bolts, nuts, screws, rivets, and washers into the U.S., with a 24% share of total U.S. imports in 2015, based on USD. It was distantly followed by Japan (11%) and Germany (11%). China was the fastest growing supplier (+9.9% per year) from 2007 to 2015, while other major suppliers displayed only modest paces of growth. As a result, China strengthened its position in the U.S. import structure, while Japan and Germany saw their shares reduced over the same period.

Net US imports of bolts, nuts, screws, rivets, and washers showed notable fluctuations over the period under review, with an overall downward trend. In 2015, this resulted into a significant trade deficit of 2,220 million USD.

Chu Hua President Mr. Chih-Jung Chen: The Industry Must Take Foreseeable Market Risk into Serious Account

According to the data of Taiwan's Customs, the total outbound shipments of Taiwanese fasteners (by ton) in 2014 and 2015 were both better than 2013's record, and 2014's record was better than 2015's. However, the steel price last year (2015) was declining. To review by total weight, the record in 2015 only appeared a slight drop by 2.1% from the 2014's record. As a result, there was actually no big change in the macroscopic perspective, but SMEs seemed to have suffered the influence from these results.

Chu Hua president Chen pointed out that "No matter how the situation changes, SMEs should try to survive the adversity and gain profit as much as they can. The critical factors must be dependent upon serious management. In addition to improving the technical level of products, we, considering the repeated and foreseeable market risk, should also try our best to learn various managing and financial tools to reduce the influence to its lowest level."

Formosa Ha Tinh Steel Fined US\$ 0.5 Billion Penalty for Discharging Toxic Waste Water

The Vietnamese government said that Taiwanese Formosa Ha Tinh Steel Corporation must be responsible for the death of a shoal of fish and the water pollution in its central coast due to its illegal discharging of toxic waste water this April. Formosa Ha Tinh has agreed to pay the US\$0.5 billion penalty. According to Reuters, Formosa Ha Tinh has confessed that it is responsible for the death of a shoal of fish in the central coast of Vietnam, which has also aroused the anger and protest of local residents. One Vietnamese official said that Formosa Ha Tinh proposed to pay US\$ 0.5 billion as the compensation. Nikkei Asian Review reported that this should be the highest penalty Vietnamese government has fined to a single company.



Chin Well Fasteners (Vietnam) Blamed for Illegal Waste Release

Chin Well Fasteners (Vietnam) Co., Ltd, a wholly owned foreign company specialized in manufacturing screws, nuts, etc. located at the Formosa section of Nhon Trach 3 Industrial Park in Nhon Trach district, has been recently blamed by the administration of Dong Nai Province (Vietnam) for illegally releasing waste water into the environment and burying waste mud in its campus. This information was disclosed by the Vice Chairman of the People's Committee based in Southern Vietnam at a press conference on Aug. 12. Chin Well has admitted to the violations. The authorities of Dong Nai province has set up an inspection team to monitor the operations of Chin Well and what punishment Chine Well will get will be based on the investigative results of the Vietnamese government.



Global Average Steel Consumption Per Capita Showed the 2nd Consecutive Year of Decline Last Year

According to the annual statistics of World Steel Association, the global average steel consumption per capita in 2015 showed the 2nd consecutive year of decline to 208.2 thousand grams (-4.1% from 2014's 217.1 thousand grams, -4.4% from 2013's 217.8 thousand grams, but still higher than 2012's record).

In Asia, the average steel consumption per capita in China last year dropped substantially from 2014's 519.0 thousand grams to 488.6 thousand grams (YoY: -5.9%; -9.4% from 2013's 539.5 thousand grams; still higher than 2012's record, however). In 2015, the average steel consumption per capita in Japan and Taiwan also showed decline (both reported the lowest record since 2010 and dropped to 497.3 thousand grams and 750.6 thousand grams respectively). India and Korea continued to grow. India reached the highest record in its history (but at merely 60.6 thousand grams, less than 30% of the global average). Korea continued to be the country with the highest steel consumption per capita, reaching 1,113.6 thousand grams, but still lower than 2008's 1,207.4 thousand grams.

In the EU, the average steel consumption per capita in the region in 2015 reached 303.5 thousand grams, a growth of the 3 consecutive year, but still lower than 2011's 311.6 thousand grams.

World's Largest Fastener Distributor Brighton-Best International (BBI) Traded over the Counter at Taipei Exchange in September!

On Aug. 11th, BBI held an online preliminary business performance report conference before its next move to be traded over the counter. BBI is a subsidiary of Ta Chen Stainless Steel Group, headquartered in Southern Taiwan.

Back in 2008, Ta Chen acquired Brighton Best company headquartered in the U.S., making it the world's largest fastener distributor. Its product lines of over 50 thousand types include stainless steel, low carbon steel, mid/high carbon steel, and even alloy steel fasteners. You name it, and BBI has it. BBI has subsidiaries in the U.S., Canada, UK, Brazil, Australia, and New Zealand, with 31 sales offices, 28 warehouses, and distribution network connecting retailers and wholesalers into a complete global supply chain, overthrowing the convention that the American fastener distributors offer only the same type of fasteners. The most well-known service offered by BBI is its exclusive "24hr Online Order Placement & Reception System" with not just customized service but also the accessibility to checking online inventory status at any time. The system digitalizes all distribution processes. Orders for 200 thousand tons of standard fasteners (or USD 400 million sales) have been successfully processed through this system. BBI president Robert Hsieh even became the inductee for the Hall of Fame of NIFMSE'15.

The core business strategy of Ta Chen Stainless Steel Group is to be headquartered and take control in Taiwan, purchase globally, and sell globally. President Hsieh hopes to shape BBI into a "specialized department store" for industrial products. Recently his ambition goes further and he is actively tapping into the hand tool industry by creating his "Proferred® BBI Tools" brand, bringing hand tools into his fastener distribution network. What he is eyeing is the U.S. industrial market reaching the scale of USD 2.5 trillion, which many world-famous U.S. hand tool companies (e.g., Stanley, Snap-on, and Grainger) have been dedicated to for years. His move into the hand tool industry is not only a breakthrough in the global fastener distribution, but also the manifestation of "Bravery, Breakthrough, and Revolution" in Ta Chen Stainless Steel.

Ta Chen Stainless Steel Group has more than 4,000 employees in the world. In 2015, it reached NTD 50.679 billion in revenue and NTD 5.387 billion in operating gross profit. According to its latest financial result for Q1 2016, it reached NTD 12.467 billion in revenue and NTD 1.301 billion in operating gross profit.



Japanese Murashiko MFG Went on an Inspection Tour of Its S. Korea Plant

Murakoshi MFG. Corp. is planning to enhance its foundation of overseas business. On June 9th and 10th the company went on an inspection tour of Murakoshi Asia, its factory in Ansan City of South Korea. The Ansan plant was set up in 2013 by the Fine Components Division of Murakoshi MFG. Murakoshi MFG produces bleeder screws that are installed on brake calipers to discharge the air in brake fluid. The company's domestic plant in Nakoso City of Fukujima Prefecture produces 5 million pieces of bleeder screws a month, taking more than 50% of the total domestic production. In 2011 an earthquake occurred, and the establishment of Ansan plant is a hedge against the possible risks with the Nakoso plant.

Toyota, Nissan, Honda Domestic Car Productions for 2015 Drop

Japanese carmakers have released their production statistics for the year 2015. Toyota's domestic production is 3,171,757 units (YOY down 0.4%), overseas production is 5,759,078 (down 0.1%), and total production in the world is 8,930,835 (down 0.2%).

Nissan's domestic production is 849,356 units (down 2.4%), overseas production is 4,377,042 (up 5.2%), and total production in the world is 5,226,398 (up 3.9%).

Honda's domestic production is 760,899 units (down 12.3%), overseas production is 3,970,851 (up 10.9%), and total production in the world is 4,731,750 (up 6.4%).



Wisco and Baosteel Announce the Largest Restructuring Plan in Chinese Steel Industry

Influenced by the overcapacity of steel and antidumping/countervailing measures against Chinese steel products, two large Chinese steel manufacturers, Wisco and Baosteel, announced on June 26 that they were considering the strategic restructuring of both companies. However, the final restructuring plan hasn't been determined yet. When it is determined, it still has to be approved by related authorities.

Baosteel and Wisco are both large steel manufacturers in China. The average annual production of each company weighs tens of millions of tons. The recent announcement of the "restructuring plan" for both companies this time will be the largest restructuring case in Chinese steel industry.

It is reported that after the merger of these two companies, the total production of crude steel of the company under its new name will reach 60.7 million tons, with the scale only second to ArcelorMittal, making it the largest steel manufacturer in China. The current production of crude steel in China totals 0.804 billion tons (representing 7.5% of the market share).

According to an expert from the industry, the current steel production has been in overcapacity, so merger for restructuring should be in the must-do list. The merger of Baosteel and Wisco can generate capital advantages for both companies. There will be no competition between Wisco and Baosteel, which is actually good for increasing product prices.

Fastener Manufacturers Take up Issues with Steel Minister

A delegation of Fastener Manufacturers of India (FMAI) led by president Narinder Bhamra recently met Union steel minister Chaudhary Birender Singh and apprised him of problems being faced by micro, small and medium enterprises (MSME) in procurement of steel and that too at higher prices as compared to international market. Bhamra said, "We informed the steel minister that the absence of government control over prices of steel products and absence of a market regulator is hampering the growth of MSME industry in India." He also added, "We also discussed the issue of anti-dumping duty on steel imports due to which the prices of steel have gone up by Rs 3,000 to Rs 5,000 per tonne and is affecting the production of fastener manufacturers in Punjab. "The businessmen also requested the minister to recommend anti-dumping duty on imports of finished products so that local manufacturers of engineering products can prosper and develop the industry further. Others present in delegation were Gagan Sahni, Sanjeev Batra, Vivek Bohra, Atul Sethi, Vikramjeet Bhamra, Sarabjit Singh and Jasdeep Thukral.

Sterling Tools Expands Its Operating Margin While Others are Still Struggling

Sterling Tools, a supplier of fasteners to automobile companies, has expanded operating margin at a time when its peers are finding it difficult to do so. This can be attributed to Sterling's strategy of reducing reliance on single client and the ability to fetch better prices for its products. Typically, in the auto ancillary segment, gain from lower commodity prices has to be passed to the automobile companies. However, Sterling Tools has been able to negotiate better terms with customer to retain a sizeable portion of benefits from fallen commodity prices (largely steel). This has helped the company improve its margins consistently in the past eight quarters. In addition, Sterling Tools is increasing the proportion of its higher priced fasteners which are used in transmission, engine, and chassis. The fasteners used in engines and chassis are priced nearly 10-40 per cent more than standard fasteners, and this product has few suppliers. Hence, it helps to boost average realisation. The company focuses on acquiring clients with a scope for scalability in the future.

As a result, the company has been focused on Honda Motorcycle & Scooter India (HMSI) in the two-wheeler segment, Maruti Suzuki India among passenger car makers, Ashok Leyland in commercial vehicles and Mahindra & Mahindra in the farm equipment segment. These customers are one of the fastest growing in their segments, which helps maintaining volume growth. In the past 18 months, the company has been able to increase its share of business from Maruti Suzuki to 40 per cent from 33 per cent earlier. The company's diverse portfolio makes it less vulnerable to the demand slack in any of these segments. To maintain volume growth, Sterling is putting up a new facility in Gujrat to cater to the new plants of HMSI and Maruti with an investment of Rs 40-50 crore.

