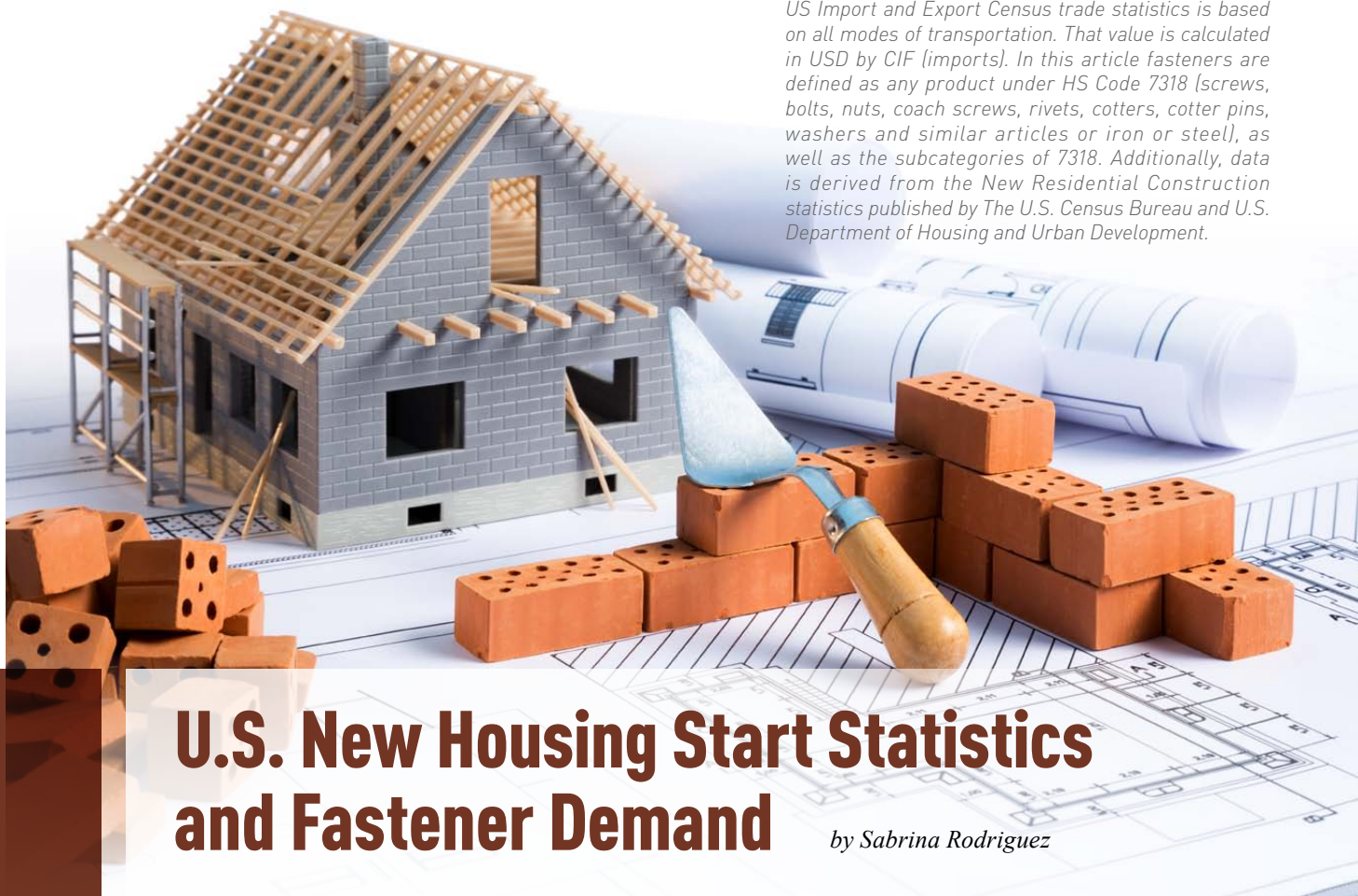


Data note: The data for this article is derived from Descartes™ Datamyne's US Census trade statistics. US Import and Export Census trade statistics is based on all modes of transportation. That value is calculated in USD by CIF (imports). In this article fasteners are defined as any product under HS Code 7318 (screws, bolts, nuts, coach screws, rivets, cotters, cotter pins, washers and similar articles or iron or steel), as well as the subcategories of 7318. Additionally, data is derived from the New Residential Construction statistics published by The U.S. Census Bureau and U.S. Department of Housing and Urban Development.



U.S. New Housing Start Statistics and Fastener Demand

by Sabrina Rodriguez

While many Americans face economical hardships due to the global pandemic, is there a true demand for new housing? Did new Housing Start statistics increase in 2020 indicating even more growth in 2021? How will this influence the demand for fasteners?

The global pandemic has drastically impacted how we live our day-to-day routines. For example, a vast majority of us are adapting to working where we live and living where we work. For many, the thought of returning to an office setting seems unnecessary especially when you consider the number of hours per year wasted on commuting. Without the need to report to the once traditional office environment, families are exchanging their busy cities for less densely populated suburbs. Traditionally the cost of living is much more affordable for those that opt for more rural areas, however, living in these less-suburban areas comes with a price tag. There is less availability of housing specifically single-family homes, and these areas offer less career opportunities. Large cities have always attracted the working-class population for the availability of jobs. With the decrease in commercial office settings, many companies have begun to offer their employees permanent remote work positions which is beginning to allow workers to move away from large, densely populated cities into less populated suburbs. Families are trading their small apartments and townhomes for larger single-family houses, many of which are larger in size allowing for designated office spaces and more amenities, like outdoor space for exercise and activities.

It is evident to understand how any new Housing Starts have already increased in 2021 to best predict whether there will be a high demand for fasteners in the coming months. The U.S. imports most fasteners from partner countries such as Taiwan, China, and Japan for the supply chain demands of the auto industry as well as the construction and manufacturing industries.

What Trends Can We See in U.S. Housing Start Statistics in 2020 and Early 2021?

According to the U.S. Census Bureau and the U.S. Department of Housing and Urban Development, **privately-owned Housing Starts decreased by 9.3% in February 2021 when compared to February 2020. The February 2021 rate of 1,040,000 was also below the January 2021 rate of 1,136,000. When it comes to Building Permits, February 2021 rates were reported at 1,143,000 which is 10% lower than the January 2021 rate of 1,270,000. The high number of permits issued in January 2021 is promising since it ensures construction is either underway or about to begin. In February 2021 there**

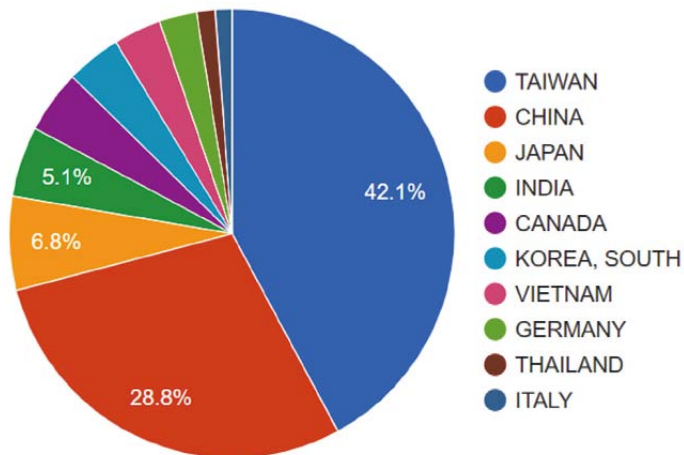


US Import from Top 10 Countries in Jan.

Main Query Filters: Product Hs : 7318 - Screws, Bolts, Nuts, Coach Screws, Screw Hooks, Rivets, Cotters, Cotter Pins, Washers and Similar Articles, of Iron or Steel

Country of Origin	2020 - JAN				2021 - JAN				Volume Change			
	General Total Value CIF (USD)	%	General Quantity (KG)	%	General Total Value CIF (USD)	%	General Quantity (KG)	%	General Total Value CIF (USD)	%	General Quantity (KG)	%
Taiwan	167,334,833	35.29	54,060,958	38.60	171,417,886	37.48	52,893,157	40.33	4,083,053	2.45	-1,167,801	-2.17
China	96,951,321	20.45	44,775,927	31.97	82,611,356	18.07	36,182,311	27.59	-14,339,965	-14.80	-8,593,616	-19.20
Japan	49,209,217	10.38	7,778,180	5.56	51,282,588	11.22	8,486,232	6.47	2,073,371	4.22	708,052	9.11
Germany	30,334,811	6.40	4,040,977	2.89	25,418,328	5.56	3,424,564	2.62	-4,916,483	-16.21	-616,413	-15.26
Canada	27,548,257	5.81	6,542,694	4.68	26,150,070	5.72	5,692,916	4.35	-1,398,187	-5.08	-849,778	-12.99
S. Korea	17,292,256	3.65	4,170,231	2.98	16,690,223	3.65	4,983,606	3.80	-602,033	-3.49	813,375	19.51
Italy	11,954,092	2.53	1,406,637	1.01	13,552,820	2.97	1,510,766	1.16	1,598,728	13.38	104,129	7.41
India	11,079,025	2.34	5,496,041	3.93	12,856,789	2.82	6,380,639	4.87	1,777,764	16.05	884,598	16.10
Mexico	10,322,884	2.18	972,758	0.70	10,079,183	2.21	1,187,041	0.91	-243,701	-2.37	214,283	22.03
U.K.	8,106,198	1.71	684,188	0.49	6,373,905	1.40	355,976	0.28	-1,732,293	-21.37	-328,212	-47.98
Total	474,296,348	100.00	140,062,853	100.00	457,410,830	100.00	131,169,438	100.00	-16,885,518	-3.57	-8,893,415	-6.35

Top Countries of Origin



was an increase of 2.8% in Housing Completions when compared to January 2021. However, the February 2021 rate of 1,042,000 decreased from the February 2020 rate of 1,297,000.

In December 2020, housing starts were the highest reported rate in fourteen years increasing an entire 12% to the rate of 1,560,000 units. Homebuilding also increased in December 2020 by 5.2%. In general, Housing Starts had a total of 1,380,000 in 2020 which represented an increase of 7% from 2019. Overall, there was an increase in construction of single-family homes and a decrease in multi-family homes.

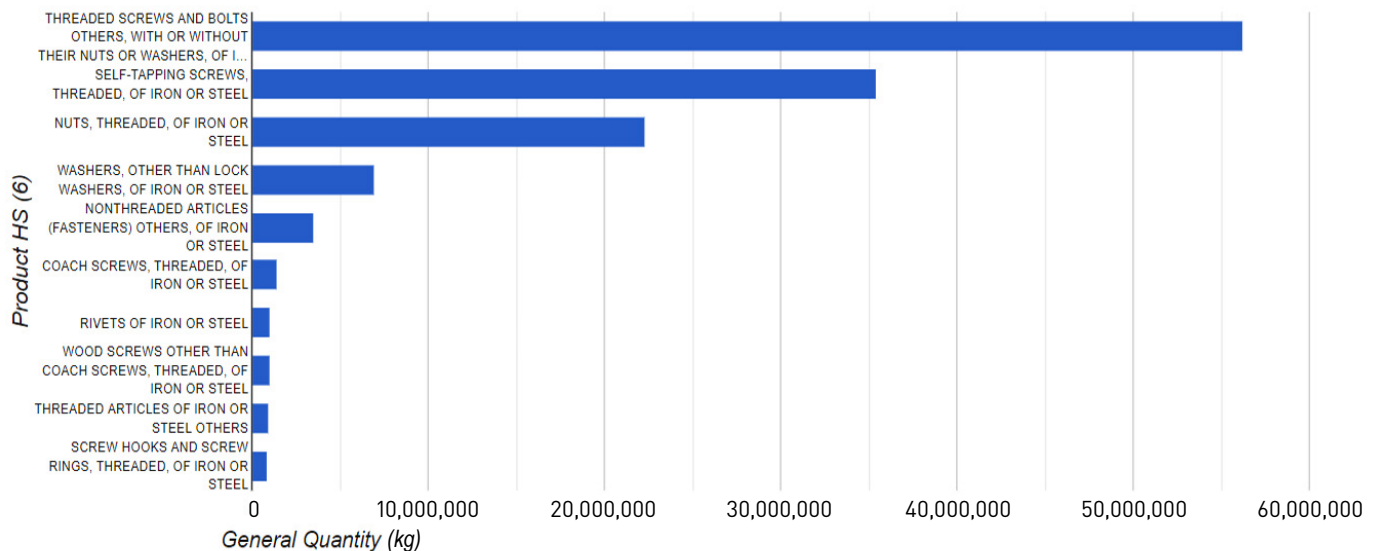
The end of 2020 was a pivotal point for aspiring homeowners as mortgage rates decreased. According to sources such as Freddie Mac, 30-year fixed mortgage rates were being offered with an average percentage rate (APR) of 2.79%. For many, home owning would have not been possible had the mortgage interest rates remained at upwards of 4% especially considering the high prices of single-family homes

Product HS (6)	2021 - JAN			
	General Quantity (KG)	%	General Total Value CIF (USD)	%
731815 - Threaded Screws and Bolts Others, With or Without Their Nuts or Washers, of Iron or Steel	56,258,831	42.90	181,887,718	39.77
731814 - Self-Tapping Screws, Threaded, of Iron or Steel	35,433,148	27.02	97,662,356	21.36
731816 - Nuts, Threaded, of Iron or Steel	22,353,490	17.05	97,730,018	21.37
731822 - Washers, Other Than Lock Washers, of Iron or Steel	6,995,905	5.34	21,356,695	4.67
731829 - Nonthreaded Articles (Fasteners) Others, of Iron or Steel	3,532,314	2.70	27,789,108	6.08
731811 - Coach Screws, Threaded, of Iron or Steel	1,426,524	1.09	1,975,694	0.44
731823 - Rivets of Iron or Steel	1,035,469	0.79	6,001,591	1.32
731812 - Wood Screws Other Than Coach Screws, Threaded, of Iron or Steel	1,014,442	0.78	2,590,981	0.57
731819 - Threaded Articles of Iron or Steel Others	991,255	0.76	7,813,298	1.71
731813 - Screw Hooks And Screw Rings, Threaded, of Iron or Steel	906,649	0.70	1,995,942	0.44
Total	131,169,438	100.00	457,410,830	100.00

in large cities which often include high property tax rates. Less suburban communities offering newer constructed home are extremely attractive to young families fleeing large cities, especially those looking for affordability and an improvement in their quality of life.



Top 10 Fastener Products of Import in Jan.



Are Fasteners in Higher Demand Due to the Increase in U.S. Housing Start?

During the last quarter of 2020, the quantity of U.S. imports of fasteners was stable and growing, especially between the months of November and December. In December, the quantity of fasteners increased to nearly 134,000,000 USD from 122,705,000 USD in November. Taiwan and China increased their exports of fasteners to the U.S. in December which explains the increase in both the quantity and value. Even though much of the trade world was impacted in 2020 due to COVID-19, fastener imports in December 2020 increased by 9.4% in quantity and 4.6% in value when compared to December 2019.

Quantity of fasteners dropped by 6.3% in January 2021 when compared to January 2020, resulting in a cumulative value decrease of nearly 17 million USD. The demand for fasteners from countries such as China, Germany and Canada decreased significantly in January 2021. The top fasteners that were imported during January 2021 were 731815 (43% of the total), 731814 (27% of the total) and 731816 (17% of the total). As seen from

the increase in Housing Permits during the months of January, February and March 2021's demand for fasteners will likely increase to keep up with the new construction of homes.

What Should We Expect to Happen in the Future?

According to the 2010 US Census report when a reported 310 million people were accounted for, 47% of the U.S. land is unoccupied. Of that unoccupied land, about 538 million acres are forests and 391 million acres are devoted to cropland. Only a mere 69 million acres are devoted to urban development. Of those developed urban acres are the 10 most populated metropolitan areas which contribute 40% of the total GDP in the U.S.

US Import from Top 10 Countries in Q4 2020

Product Hs : 7318 - Screws, Bolts, Nuts, Coach Screws, Screw Hooks, Rivets, Cotter Pins, Washers and Similar Articles, of Iron or Steel

Country of Origin	2020 - OCT				2020 - NOV				2020 - DEC			
	General Quantity (KG)	%	General Total Value CIF (USD)	%	General Quantity (KG)	%	General Total Value CIF (USD)	%	General Quantity (KG)	%	General Total Value CIF (USD)	%
Taiwan	53,259,611	41.36	167,605,781	37.35	51,213,562	41.74	156,095,139	36.72	55,938,987	41.76	173,442,169	38.30
China	33,458,200	25.99	73,597,320	16.40	30,036,625	24.48	68,190,981	16.04	37,754,857	28.19	83,245,406	18.39
Japan	8,805,894	6.84	49,578,198	11.05	9,145,593	7.46	56,372,683	13.26	7,490,033	5.60	46,907,875	10.36
India	5,610,418	4.36	11,317,764	2.53	4,698,998	3.83	10,265,792	2.42	5,692,647	4.25	12,368,021	2.74
S. Korea	5,233,030	4.07	19,133,345	4.27	7,880,279	6.43	15,935,817	3.75	6,160,095	4.60	18,796,270	4.16
Canada	4,926,135	3.83	25,503,280	5.69	4,696,151	3.83	24,491,782	5.77	4,594,435	3.43	22,053,169	4.87
Vietnam	4,013,828	3.12	7,879,564	1.76	3,152,093	2.57	5,801,524	1.37	4,264,818	3.19	8,054,033	1.78
Germany	3,415,536	2.66	26,664,212	5.95	3,264,614	2.67	27,377,379	6.44	3,040,785	2.27	25,096,691	5.55
Thailand	2,287,019	1.78	6,154,312	1.38	1,945,353	1.59	5,047,035	1.19	2,385,651	1.79	6,158,853	1.36
Mexico	1,546,148	1.21	10,432,538	2.33	1,194,668	0.98	10,114,888	2.38	894,569	0.67	8,375,347	1.85
Total	128,771,450	100.00	448,792,905	100.00	122,705,401	100.00	425,154,663	100.00	133,975,703	100.00	452,907,739	100.00



US Import from Top 10 Countries in Dec.

Product Hs : 7318 - Screws, Bolts, Nuts, Coach Screws, Screw Hooks, Rivets, Cotters, Cotter Pins, Washers and Similar Articles, of Iron or Steel

Country of Origin	2019 Dec.				2020 Dec.				Change			
	General Quantity (KG)	%	General Total Value CIF (USD)	%	General Quantity (KG)	%	General Total Value CIF (USD)	%	General Quantity (KG)	%	General Total Value CIF (USD)	%
Taiwan	48,414,787	39.54	148,575,290	34.34	55,938,987	41.76	173,442,169	38.30	7,524,200	15.55	24,866,879	16.74
China	38,839,952	31.72	88,108,658	20.36	37,754,857	28.19	83,245,406	18.39	-1,085,095	-2.80	-4,863,252	-5.52
Japan	7,908,851	6.46	51,123,329	11.82	7,490,033	5.60	46,907,875	10.36	-418,818	-5.30	-4,215,454	-8.25
India	4,509,662	3.69	9,844,649	2.28	5,692,647	4.25	12,368,021	2.74	1,182,985	26.24	2,523,372	25.64
Canada	4,209,681	3.44	19,670,514	4.55	4,594,435	3.43	22,053,169	4.87	384,754	9.14	2,382,655	12.12
Germany	3,539,935	2.90	30,822,504	7.13	3,040,785	2.27	25,096,691	5.55	-499,150	-14.11	-5,725,813	-18.58
S. Korea	3,435,436	2.81	14,754,579	3.41	6,160,095	4.60	18,796,270	4.16	2,724,659	79.32	4,041,691	27.40
Vietnam	2,683,305	2.20	4,966,034	1.15	4,264,818	3.19	8,054,033	1.78	1,581,513	58.94	3,087,999	62.19
Thailand	2,245,006	1.84	6,171,027	1.43	2,385,651	1.79	6,158,853	1.36	140,645	6.27	-12,174	-0.20
Italy	1,521,562	1.25	11,834,570	2.74	1,398,602	1.05	14,080,832	3.11	-122,960	-8.09	2,246,262	18.99
Totla	122,471,304	100.00	432,764,782	100.00	133,975,703	100.00	452,907,739	100.00	11,504,399	9.40	20,142,957	4.66

All in all, we are seeing a shift in priorities. With the extended lockdowns and adapting to remote work, Americans are beginning to re-evaluate their priorities. While living in big cities is favorable, increased quality of life and more affordable housing prices have become a bigger priority for families. While it may have once been predicted that U.S. metropolitan areas would continue to grow at exponential rates, the recent pandemic seems to have begun shifting where the population is residing. Smaller rural areas are quickly booming with new construction development which continues to attract the masses. With smaller cities growing, the demand for residential construction increases as does commercial construction. With time, the demand for housing will ultimately increase the demand for fasteners from foreign trading partners. ■



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