

Policy Watch: What to Expect from the U.S. in 2025 and How It Might Impact Fastener Exports

政策观察：2025年美国动向展望及其对紧固件出口的影响



In 2025, President Donald Trump's return to the White House has ushered in a fresh wave of trade policies under the renewed "America First" banner. These policies have immediate and far-reaching consequences for global trade dynamics—especially for export-intensive sectors such as the fastener industry.

With the declaration of a national economic emergency, implementation of a blanket 10% import tariff, and a growing list of bilateral tensions, fastener exporters around the globe are navigating a dramatically altered trade landscape.

Overview of U.S. Trade Policy Changes Under Trump 2025

The most pivotal and controversial trade policy changes introduced in early 2025 include a universal 10% tariff on all imports, announced on April 5, 2025, by the Trump administration under the IEEPA. This measure applies to all imported goods, including fasteners, regardless of the country of origin. Additionally, countries with significant trade surpluses with the U.S.—such as China, Mexico, and Germany—now face increased tariffs on selected product categories. Compounding these measures, the administration has also eliminated the de minimis threshold, which previously allowed small-value shipments under USD 800 to enter the U.S. duty-free. This exemption has been revoked for all parcels originating from China and Hong Kong, significantly affecting e-commerce and small-scale industrial supply chains.

Impact on Global Fastener Exports

Fasteners—ranging from screws and nuts to industrial bolts—are fundamental in manufacturing, construction, defence, and automotive sectors. The U.S. is both a major importer and user of fasteners, relying heavily on suppliers from Asia and Europe.

Key Figures

- In 2024, the U.S. imported USD 7.1 billion worth of fasteners, with over USD 2.3 billion from Taiwan, USD 1.3 billion from China, USD 660 million from Japan, and USD 440 million from Germany, and so on.
- The average price per ton of imported fasteners is expected to rise by 18–30% in 2025 due to tariff-driven price inflation.
- According to the Industrial Fasteners Institute (IFI), U.S. domestic production capacity is insufficient to meet short-term demand, especially in high-spec industrial and aerospace-grade fasteners.



Immediate Consequences

Rising import costs are forcing U.S. buyers to reassess their supplier networks, particularly as tariffs and logistical expenses make international sourcing less predictable and more expensive. Exporters who demonstrate pricing stability or absorb part of the tariff burden are better positioned to retain their market share in this shifting landscape. **Buyers are increasingly valuing consistency and reliability, prompting a re-evaluation of long-standing partnerships in favor of those who can offer more resilient pricing strategies amid global uncertainty.**

At the same time, major sectors like construction and automotive are grappling with significant supply chain disruptions. Delivery delays and cost overruns have become common due to the need to reroute shipments and renegotiate prices. In response, many U.S.-based Original Equipment Manufacturers (OEMs) are accelerating efforts to onshore production or source from tariff-exempt countries. **This shift is opening up new trade opportunities for nations with favorable bilateral agreements, positioning them as attractive alternatives for U.S. companies seeking more stable and cost-effective supply solutions.**

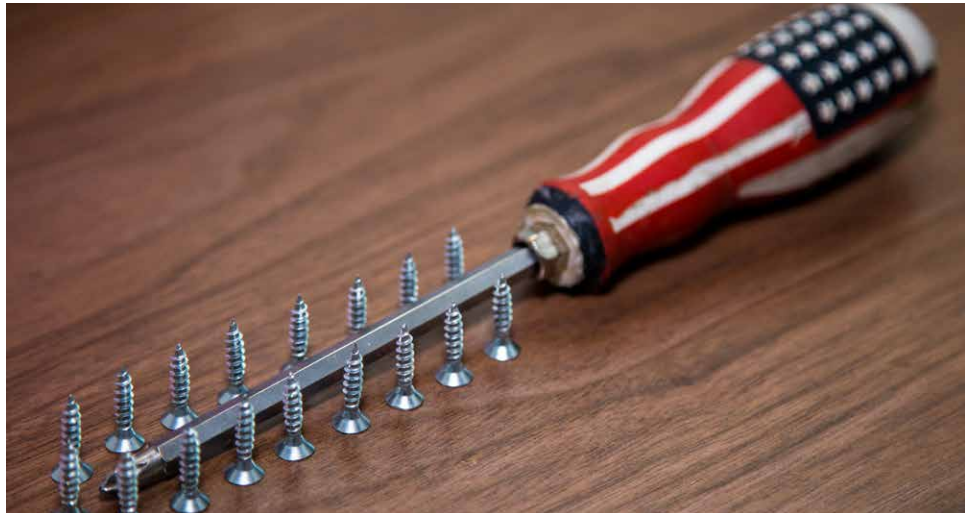
Historical Comparison: 2017–2020 Trump Era vs. 2025 Policies

Trump Administration (2017–2020): Trade War and Tariff Impact

During Trump's first term, U.S. fastener imports from China (**Figure 1**) experienced significant fluctuations due to the escalating U.S.-China trade war and the implementation of tariffs on Chinese goods.

- 2017–2018: Imports rose from USD 1.23 billion to USD 1.62 billion, likely due to front-loading before tariffs took effect.
- 2019–2020: A sharp decline followed—dropping to USD 1.19 billion in 2019 and further to USD 898 million in 2020—reflecting the impact of tariff enforcement and supply chain disruptions, compounded by the onset of the COVID-19 pandemic.

This period illustrates how protectionist trade policy and rising geopolitical tensions significantly reduced the attractiveness of Chinese fasteners for U.S. importers.

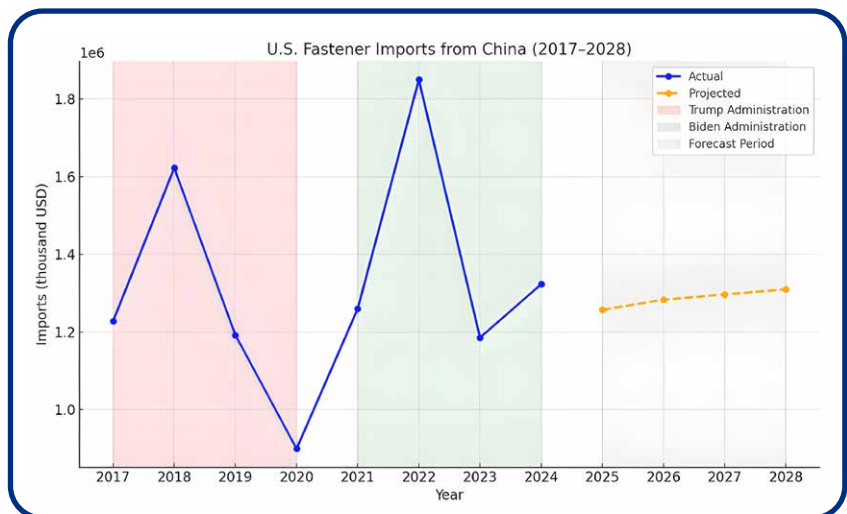


Biden Administration (2021–2024): Recovery, Diversification, and Continued Volatility

Under Biden, imports rebounded to USD 1.26 billion in 2021 and peaked at USD 1.85 billion in 2022 as demand surged post-pandemic. However, the resurgence was temporary.

- 2023–2024: Imports dropped again to USD 1.18 billion and then slightly up to USD 1.32 billion, likely due to efforts to diversify supply chains, increased interest in reshoring or nearshoring, and lingering uncertainties around tariffs and global logistics.

Biden retained most of Trump's tariff policies while signaling openness to allied supply chains, leading U.S. importers to adopt a more cautious and diversified sourcing strategy rather than relying heavily on China.



▲ Figure 1

Forecast Summary: U.S. Fastener Imports from China

Based on historical trends and the likelihood of new or sustained tariffs, **U.S. fastener imports from China are expected to decline gradually over the next four years. In 2024, imports were USD 1.32 billion. Assuming a moderate impact from future trade policy, projections indicate a year-over-year decrease of 1–5%:**

- **2025: ~USD 1.26 billion**
- **2026: ~USD 1.22 billion**
- **2027: ~USD 1.20 billion**
- **2028: ~USD 1.18 billion**

This trend reflects a combination of tariff-driven cost increases, ongoing efforts by U.S. buyers to diversify away from China, and the strategic relocation of sourcing to tariff-free or nearshore countries. While imports will likely remain substantial due to China's production scale, its share of the U.S. fastener market is projected to shrink steadily unless future trade agreements shift the current direction.

With fastener imports from China expected to gradually decline over the next four years, the geopolitical and policy environment is shaping not just trade volumes but also the structure of global sourcing strategies. Following a peak of approximately USD 1.85 billion in 2022, imports dropped to USD 1.32 billion by 2024 and are projected to fall further to USD 1.18 billion by 2028, driven by rising tariffs, supply chain diversification, and geopolitical tension.

China: Structural Pressure and Strategic Shifts

China is set to face the harshest trade conditions, including a high tariff rate and the removal of de minimis provisions for small shipments. This policy shift directly impacts over 1,800 fastener companies, significantly increasing the cost of doing business with U.S. buyers. As a result, Chinese exporters must now adapt quickly—either by partnering with U.S.-based distributors, investing in U.S.-based assembly operations, or losing ground in one of their largest export markets. The forecasted decline in Chinese imports aligns with this pressure, as U.S. companies increasingly seek stable and tariff-free sources.

Europe: High Tariffs and Market Contraction

European countries such as Germany, Italy, and France are not spared. Fasteners from the EU are subject to a 25% tariff (as of mid-May), making them less competitive. German exporters, in particular, could lose 10–12% of their U.S. market share in 2025 alone, a major blow given their established presence. This tariff impact reinforces the broader trend of American importers diversifying away from higher-cost and policy-risk markets.

Taiwan, Vietnam, and India: Beneficiaries of Diversification

In contrast, countries like Taiwan, Vietnam, and India are emerging as preferred alternatives. They are perceived as low political risk and are not currently targeted by high U.S. tariffs. Taiwan, with its high-quality value-added industrial fastener industry, is especially well-positioned to capture demand that's shifting away from China and the EU. Vietnam and India, meanwhile, offer both cost-efficiency and a growing manufacturing base, making them strategic supply sources for U.S. buyers.



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The next four years will likely see a strategic realignment of U.S. fastener sourcing, with imports from China decreasing year-over-year, European players losing competitive edge due to tariffs, and Asia-Pacific exporters—especially Taiwan—absorbing the redirected demand. This reconfiguration will not only affect trade volumes but also accelerate supply chain restructuring, joint ventures, and localized assembly operations as exporters race to retain access to the U.S. market.

Who Gets Hit Hardest by Fastener Tariffs?

The ripple effects of rising tariffs on fasteners will vary significantly across industries, but some sectors are poised to absorb a heavier impact—most notably automotive, aerospace, and construction/infrastructure. These industries depend heavily on reliable and cost-efficient fastener supply chains, and the new pricing pressures threaten to erode margins, disrupt timelines, and force strategic shifts in sourcing and production.

Automotive: Tight Margins Under Pressure

The U.S. automotive industry is especially vulnerable. A typical American-made vehicle uses over 3,000 fasteners, embedded throughout safety systems, structural components, and internal assemblies. **With the new tariffs and price hikes on imported fasteners, per-vehicle manufacturing costs could rise by as much as USD 190.** While this figure may seem moderate at first glance, the impact is compounded at scale, especially for mass-market carmakers operating on thin profit margins. The result could be a combination of reduced profitability, delays in production schedules, and increased pressure to localize or renegotiate supplier contracts. The policy shift might also accelerate investments in domestic fastener production, though ramping up capacity will take time.

Aerospace: Specialty Sourcing at Risk

The aerospace sector faces a more specialized challenge. Many aerospace-grade fasteners are precision-engineered components that are predominantly imported from European suppliers. The imposition of a 25% tariff on EU imports will disproportionately impact this sector, which already bears high R&D and compliance costs. As a result, both commercial aviation programs and U.S. defence contracts may experience cost inflation. In response, **aerospace firms may be driven to invest in domestic manufacturing capabilities for fasteners, or explore niche suppliers in politically neutral countries.** However, due to strict certification standards and long qualification cycles, any shift will be gradual and logistically complex.



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Construction & Infrastructure: Projects at Risk

In the construction and infrastructure sectors, which rely on high volumes of general-purpose fasteners for structural steel, utilities, and civil engineering, the impact will be broad-based but particularly damaging to large-scale projects. **Many infrastructure developments budgeted in 2024 did not anticipate a spike in fastener costs. As tariffs take effect, these projects now face margin erosion, potential delays, or forced redesigns to stay within cost constraints.** Governments and private developers may need to request strategic waivers for critical imports or fast-track local sourcing initiatives to avoid disruptions. This dynamic could also revive interest in U.S.-made fasteners, especially for federally funded infrastructure under "Buy American" provisions.

Conclusion

In conclusion, the renewed "America First" policies under President Trump's administration are reshaping the global fastener export landscape. The introduction of a blanket 10% import tariff and increased duties on fasteners from key trading partners, including China and Europe, is expected to drive up prices and create significant disruptions in supply chains. These changes will disproportionately affect industries such as automotive, aerospace, and construction, which heavily rely on fasteners for production and infrastructure projects. As the U.S. increasingly looks to diversify its sourcing strategies, countries like Taiwan, Vietnam, and India are emerging as viable alternatives, potentially reshaping the global fastener supply network in the years ahead.

The long-term impact of these trade policies will likely result in a decline in U.S. fastener imports from traditional suppliers like China and the EU, as U.S. companies seek more stable and cost-effective sourcing solutions. While domestic production capacity may eventually rise, it will take time to meet the demand for specialized fasteners, particularly in high-specification sectors. As a result, the fastener industry faces a period of volatility, with exporters needing to adjust quickly to the changing dynamics of U.S. trade policy. For those who can adapt, this shift presents an opportunity to capture market share in a restructured, tariff-conscious trade environment. ■

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