

Analysis of ASEAN Fastener Producers' Strategies

東盟區域扣件供應商策略分析

by Sharareh Shahidi Hamedani

ASEAN's Situation in the World?

The following table shows that ASEAN suppliers support 5% of the whole fastener demand of the world in terms of value.

Table 1.

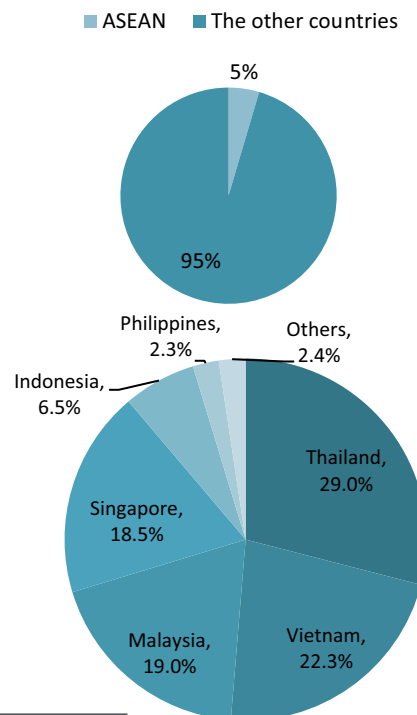
ASEAN Fastener Market Share in 2015	
ASEAN	\$ 1,541,738
The other countries	\$ 32,162,665
World	\$ 33,704,403
Values are in thousand USD	

The main players of ASEAN region are:

Table 2.

Year 2015	Exported Fasteners	Share in Total ASEAN Fastener Export
Thailand	\$ 447,467	29.0%
Vietnam	\$ 343,532	22.3%
Malaysia	\$ 292,914	19.0%
Singapore	\$285,255	18.5%
Indonesia	\$100,090	6.5%
Philippines	\$35,704	2.3%
Others	\$36,776	2.4%
Values are in thousand USD		

ASEAN Fastener Market Share in 2015



Three main ASEAN fastener buyers are Germany, Malaysia and USA. Their total amount is about 421 million USD.

Table 3.

Germany			Malaysia			USA		
\$ 198,859			\$ 119,187			\$ 102,680		
12.9%			7.7%			6.7%		
Exporter	Value	%	Exporter	Value	%	Exporter	Value	%
Vietnam	\$76,136	38.3%	Singapore	\$87,774	73.6%	Thailand	\$54,714	53.3%
Malaysia	\$40,014	20.1%	Others	\$31,413	26.4%	Philippines	\$8,277	8.1%
Thailand	\$37,313	18.8%				Others	\$39,689	38.7%
Indonesia	\$17,220	8.7%						
Philippines	\$4,875	2.5%						
Others	\$23,301	11.7%						
Values are in thousand USD								

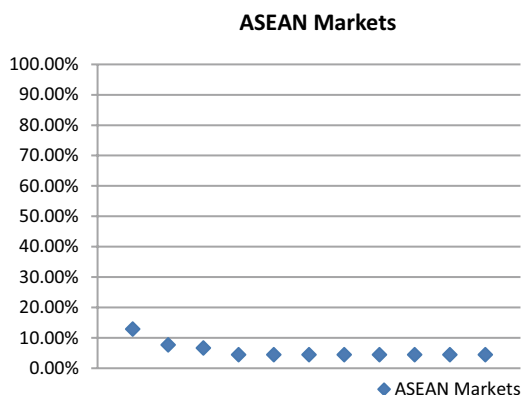
Table 4.

Indonesia, Thailand, Japan, Netherlands, Singapore, United Kingdom, and China.	Other Buyers
\$ 556,001	\$ 565,011
36.1% (4.5% per country)	36.6%
Values are in thousand USD	

Eight countries follow these three high ranks markets; they are Indonesia, Thailand, Japan, Netherlands, Singapore, United Kingdom and China. The total value of their purchase from ASEAN region is about 565 million USD, which means that approximately the average of their purchase is 69.5 million USD/ each country.

Strategies of Suppliers in ASEAN Region:

Analyzing the above statistics shows that ASEAN suppliers tried to grow through the geographical expansion method. The percentages of purchasing of ASEAN exported fasteners are very close (see the following graph)



Because of this unfocused strategy, the ASEAN exported fastener value declined during 2014–2015. Further information shows that 1.62 billion USD in 2014 decreased to 1.54 billion USD in 2015. If fastener suppliers in this region are looking for a real success they should choose few countries (outside of their region) and expand their business with them. They should be a big fish in a small pond not a small fish in an Ocean. However, the statistics show that they chose the 2nd one.

Analyzing the statistics country by country proves this claim that the geographical focus is the best strategy for fastener suppliers of this region.

Thailand's strategy:

The main markets of Thailand are:

Table 5.	Importer	Value	%	Strategy
	USA	\$54,714	12.2%	When the biggest market of Thailand has 12.2%, and behind USA there are 7 countries which respectively bought around 5%-8.3% of Thai fasteners. It means that fastener producers in Thailand try to grow through geographical expansion. When Thailand has just 0.38% of the world's market share, the geographical expansion can be a harmful strategy for it. Further statistics show that the value of Thai exported fasteners in 2015 dropped 10.8% when compared with that of the same period in 2014. If Thailand wants a real growth in this field it is highly recommended to focus on the U.S. and German markets. After then, they can expect growth.
	Germany	\$37,313	8.3%	
	Japan	\$32,594	7.3%	
	Indonesia	\$25,432	5.7%	
	Malaysia	\$25,170	5.6%	
	Cambodia	\$24,120	5.4%	
	India	\$23,616	5.3%	
	China	\$22,038	4.9%	
	Others	\$202,470	45.2%	
Values are in thousand USD				

Vietnam's Strategy:

Vietnam is the 2nd biggest exporter in the ASEAN region; suppliers in Vietnam have allocated 22.3% of their exported fasteners through ASEAN to the world. Main partners of Vietnam fastener producers are:

Table 6.	Importer	Value	%	Strategy
	Germany	\$ 76,136	22.2%	Vietnam's first market is Germany, and each of the following 5 countries purchased around 25 million to 35 million USD through Vietnamese fastener producers. It is more focused than Thailand is. Further statistics show that the value of Vietnamese exported fasteners in 2015 grew 10.6% when compared with that of the same period in 2014.
	Netherlands	\$ 35,014	10.2%	
	Japan	\$ 29,015	8.4%	
	United Kingdom	\$ 27,078	7.9%	
	USA	\$ 25,404	7.4%	
	Belgium	\$ 25,021	7.3%	
	Others	\$ 125,864	36.6%	
Values are in thousand USD				

Malaysia's Strategy

Malaysia as the 3rd biggest fastener exporter in the ASEAN region has allocated 19% of its exported fasteners through this region and the value of its exported fasteners is about 293 million USD. Its main partners are:

Table 7.	Importer	Value	%	Strategy
	Singapore	\$45,149	15.4%	Malaysia's fastener suppliers adopted the unfocused geographical strategy as the Thai suppliers did. Further information shows that their market declined about 11.9% during 2014-2015.
	Germany	\$40,014	13.7%	
	Thailand	\$39,482	13.5%	
	Others	\$168,269	57.4%	
Values are in thousand USD				

Singapore's Strategy

Singapore is the 4th biggest exporter in the fastener field in the ASEAN region. Its total amount of exported fasteners is more than 285 million USD (about 18.5% of the whole ASEAN exported fasteners). Its main partners are:

Table 8.	Importer	Value	%	Strategy
	Malaysia	\$87,774	30.8%	Singapore follows the focus strategy, and therefore it seems that its market grew during 2014-2015. Further information shows vice versa. The Singapore market has declined 9.7%. The main reason for this decline is that it focused on a wrong country. Its main markets are ASEAN countries. ASEAN is a region that suffers an unfocused market. When you focus on a wrong market the result cannot be positive.
	Indonesia	\$51,764	18.1%	
	Thailand	\$21,709	7.6%	
	Others	\$123,978	43.5%	
Values are in thousand USD				

Indonesia's Strategy:

Indonesia's main partners are

Table 9.

Importer	Value	%	Strategy
Germany	\$19,304	19.3%	The value of Indonesia's exported fasteners shows the growth of 14.1% because of its focus on German market.
Singapore	\$13,025	13.0%	
Japan	\$10,878	10.9%	
Thailand	\$10,350	10.3%	
Others	\$46,533	46.5%	
Values are in thousand USD			

Last Word:

Al Ries, one of the best marketing strategists in the world, said, "Focus, the future of your company (industry) depends on it". He also added, "Everybody wants to expand but the real opportunity is in the opposite direction. Focus!"

