

# Market Focus- Japan's Fastener Import/Export Statistics and Its Trend in Full Year 2017

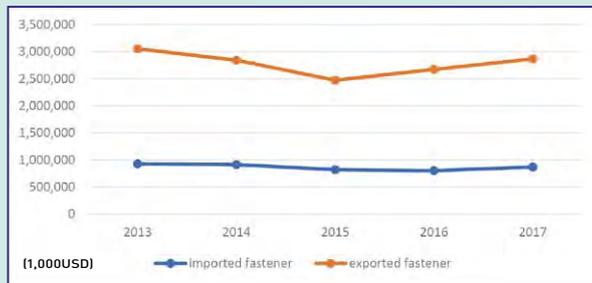
by Sharareh Shahidi Hamedani

## Introduction

\*Values are in thousand USD

Japan as the most famous industrialized country in Asia imported 870 million USD worth of fasteners from different countries and the value of its exported fasteners was about 2.87 billion USD in 2017. Based on these statistics, the value of Japan's exported fasteners is more than 300% higher than that of its imported fasteners. Japan is thus called a self-sufficient country in the fastener industry.

	2013	2014	2015	2016	2017
Imported Fasteners to Japan	930,771	916,336	822,642	804,834	870,525
Growth Rate		-1.6%	-10.2%	-2.2%	8.2%
Exported Fasteners from Japan	3,056,492	2,843,732	2,475,374	2,677,178	2,870,817
Growth Rate		-7.0%	-13.0%	8.2%	7.2%
Export/Import	328%	310%	301%	333%	330%



It seems that between 2013 and 2015 Japan reduced its fastener prices (This decision could be related to its reducing GDP during the years). Statistics show that this strategy was not successful.

The value of imported fasteners decreased by more than 10% and the value of exported fasteners dropped by 13.0% in the period of price reduction. Japanese suppliers could recover their market in 2016 again, when they left this strategy.

## Main Partners for Japan's Fastener Import

In terms of fastener import, the main partners of Japan are China, Taiwan and USA. These 3 countries have represented about 77% of Japan's fastener import market. China's market share is more than 35%; Taiwan supports more than 26% of the fastener users in Japan and USA is ranked in the 3rd place. US fastener producers support more than 16% of Japan's fastener import market. Other countries altogether support 22.9% of Japan's fastener import market.

### China

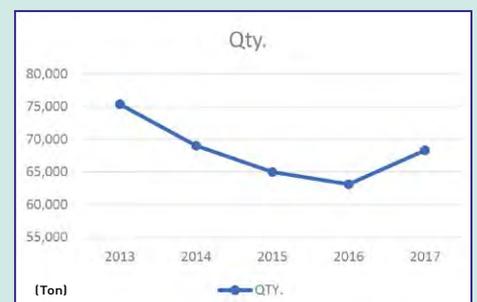
China is the biggest fastener exporter to Japan; the following table shows China's market between 2013 and 2017. China wanted to control its market share through decreasing the prices (It decreased its prices by 20% between 2013 and 2016), but Chinese suppliers found this strategy wasn't successful, and therefore, they modified their prices in 2017.



China	2013	2014	2015	2016	2017
Value of Fastener Export to Japan	335,839	326,718	290,022	283,422	305,267
Market Share in Japan	36.1%	35.7%	35.3%	35.2%	35.1%
Qty. (Ton)	154,160	151,337	143,488	144,196	145,184
Unit Price/KG(USD)	2.18	2.16	2.02	1.97	2.10

### Taiwan

Taiwan is the 2nd biggest exporter to Japan in the fastener field. Taiwanese suppliers tried to compensate their loss through increasing the price by 2% in 2014, but it couldn't be a successful strategy, so in 2015 and 2016 they decreased their prices.

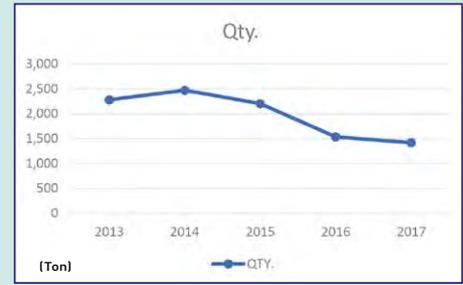


Based on the results of China and Taiwan, it seems that Japan is not a price sensitive market.

Taiwan	2013	2014	2015	2016	2017
Value of Fastener Export to Japan	244,088	228,249	209,071	200,412	226,375
Market Share in Japan	26.2%	24.9%	25.4%	24.9%	26.0%
Qty. (Ton)	75,375	69,017	64,996	63,135	68,328
Unit Price/KG(USD)	3.24	3.31	3.22	3.17	3.31

## USA

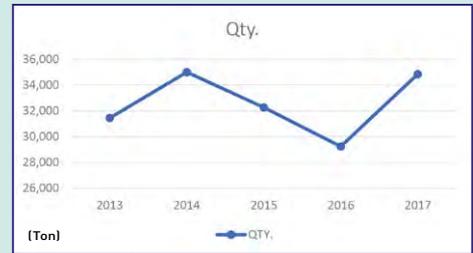
USA provides high-tech fasteners for Japanese consumers. During 2013 to 2015, the market share of USA increased; however, the numbers of quantity and value decreased, which means Japanese consumers need US production in any situations.



USA	2013	2014	2015	2016	2017
Value of Fastener Export to Japan	169,500	166,810	156,263	149,032	139,301
Market Share in Japan	18.2%	18.2%	19.0%	18.5%	16.0%
Qty. (Ton)	2,278	2,470	2,202	1,532	1,418
Unit Price/KG	74.41	67.53	70.96	97.28	98.24

## Other Countries

Other countries, which decreased their prices as the 3 biggest suppliers, did not help themselves gain more market share in Japan (see the following table).



World	2013	2014	2015	2016	2017
Value of Fastener Export to Japan	930,771	916,336	822,642	804,834	870,525
Market Share in Japan	100%	100%	100%	100%	100%
Qty. (Ton)	263,253	257,827	242,956	238,100	249,771
Unit Price/KG(USD)	3.54	3.55	3.39	3.38	3.49
Other Countries	2013	2014	2015	2016	2017
Value of Fastener Export to Japan	181,344	194,559	167,286	171,968	199,582
Market Share in Japan	19.5%	21.2%	20.3%	21.4%	22.9%
Qty. (Ton)	31,440	35,003	32,270	29,237	34,841
Unit Price/KG(USD)	5.77	5.56	5.18	5.88	5.73

## Japan's Fastener Export

China is the first market for Japanese fastener producers, while USA and Thailand are respectively ranked the 2nd and the 3rd market. These 3 countries bought about 60% of Japanese total fastener export. Statistics show that the average price of Japanese exported fasteners is between 8 to 9 USD per kilogram.

World	2013	2014	2015	2016	2017
Value of Fastener Import from Japan	3,056,492	2,843,732	2,475,374	2,677,178	2,870,817
Japan's Market Share	100%	100%	100%	100%	100%
Qty. (Ton)	347,042	345,765	329,350	342,838	362,127
Unit Price/KG(USD)	8.81	8.22	7.52	7.81	7.93

The above table shows that the value of exported fasteners from Japan decreased between 2013 and 2017. 2015 is the worst year for Japanese exporters. Japanese suppliers tried to control the situation by reducing their prices; however, this strategy was not successful. Some studies about Japan's fastener export partners are detailed as below:

## China

China represented 23% of Japanese exported fasteners and the value of fasteners exported to China had decreased for 4 years. During the 4 years Japan tried to keep the constant quantity of its export.



In 2014, Japan decreased its price by 9%, but its market (in terms of the quantity) increased just 2%. In 2015, Japan decreased its prices by more than 8%, but the quantity of the exported fasteners decreased by 10%! In 2016, Japan decided to increase its price for China market by 1% and its exported fasteners in terms of quantity increased by 11%! In 2017, Japan increased its price by 1% again and its market share in China became 12% higher in terms of quantity!

These statistics prove that decreasing the price is not a good strategy for Japanese fastener producers.

China	2013	2014	2015	2016	2017
Value of Fastener Import from Japan	693,596	646,304	533,870	594,503	672,465
Japan Market Share	22.7%	22.7%	21.6%	22.2%	23.4%
Qty. (Ton)	74,679	76,080	68,348	75,693	84,707
Unit Price/KG(USD)	9.29	8.50	7.81	7.85	7.94

## USA

The same story happened in US market. Decreasing prices did not result in the value increase of exported fasteners. However, in terms of quantity the story is different.

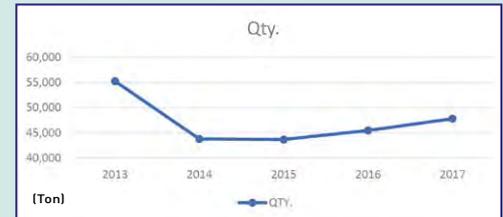
In 2014, the 6% decrease in the exported fastener price only caused 5% increase in the exported fastener quantity, and therefore, it did not compensate for the lack of value between 2013 and 2014. In 2015, Japanese exporters decreased their prices by more than 7%, and the negative situation was not controlled. The exported quantity decreased by 1% and in terms of value it decreased by 8%. In 2016, the 2% increase in the price of fasteners caused 3% increase in the quantity of exported fasteners and 5% increase in the value of exported fasteners. In 2017, the 4% increase in the price of fasteners caused the 1% decrease in the quantity of exported fasteners but 3% increase in the value of exported fasteners.



USA	2013	2014	2015	2016	2017
Value of Fastener Import from Japan	680,853	670,908	618,215	649,843	666,905
Japan Market Share	22.3%	23.6%	25.0%	24.3%	23.2%
Qty. (Ton)	77,582	81,627	80,728	83,296	82,409
Unit Price/KG(USD)	8.78	8.22	7.66	7.80	8.09

## Thailand

Decreasing the price did not help Thailand increase its market share. It is again proved in the market of Thailand.



Thailand	2013	2014	2015	2016	2017
Value of Fastener Import from Japan	465,376	356,618	319,252	342,248	363,429
Japan Market Share	15.2%	12.5%	12.9%	12.8%	12.7%
Qty. (Ton)	55,268	43,783	43,712	45,491	47,832
Unit Price/KG(USD)	8.42	8.15	7.30	7.52	7.60

## Other Countries

The same story happened in other countries.



Other Countries	2013	2014	2015	2016	2017
Value of Fastener Import from Japan	1,216,667	1,169,902	1,004,037	1,090,584	1,168,018
Japan Market Share	39.8%	41.1%	40.6%	40.7%	40.7%
Qty. (Ton)	139,513	144,275	136,562	138,358	147,179
Unit Price/KG(USD)	8.72	8.11	7.35	7.88	7.94

## Last Word

Most suppliers facing an issue in their market tried to control it through the pricing strategy. The low price strategy would undermine the power of brands by moving them into a low-quality layer. Companies should consider trying to make their customers loyal to their brands, not their prices. Consumers equate quality to prices. The higher the price, the higher the quality. Consumers do not always want to buy the highest-quality products. Often, they would rather save money and buy something less than the best. These decisions usually depend on the category. If a company does not want to fight with other competitors in terms of prices, the managers should make a category for their production and answer a simple question, "Why should customers buy our products?" The answer to this question should not be "Because of our high quality product and/or because of our prices."