



NFDA, NEVIB, and HKSFC

Presidents on the Pandemic

For the past 6 months, lots of Taiwanese fastener suppliers in their relaxed conversations have been often talking about shortages of steel & raw materials, imbalance between market supply and demand, severe delay of international shipments and logistics service, how many people in the country have got themselves vaccinated, and many other issues worrying them so much. On the other hand, the gradual market recovery of some leading industries, such as electronics, machinery, automotive, construction, and medical, has also led to the explosive growth in several fastener suppliers' order acceptance, not to mention that some even said their orders have been fully scheduled through the second half of 2022! Nevertheless, with the insufficient and unstable supply of needed materials, the continuously hiking quarterly wire rod prices of Taiwan CSC, and the unfavorable exchange rates for exports, many of these suppliers have also encountered challenges of no material for urgent orders or exorbitant material costs that eat up their profit margins.

In addition, more than 20% of the global population has got at least one shot of vaccine, and the percentage of vaccinations

in Europe and USA is comparatively higher than those in Asia and other Southeastern Asian countries, which may also influence the lifting of city lockdown measures in certain countries around the world. According to the statistics of "Our World in Data," as of 29th of June, 2021, only Canada, the UK, Hungary, Belgium, Denmark, Italy, USA, The Netherlands, Germany, Spain, Austria, and Portugal got more than 50% of their population vaccinated. The percentage of vaccinations in Japan, South Korea, or Southeast Asia still remained below 30%. In some other manufacturing heartlands like Vietnam and Indonesia, the percentage was even less than 10% and some countries were also seeing an accelerated surge in new Covid cases.

Talking of the current market situations in USA, Europe or certain Asian countries, what are the observations of NFDA, NEVIB, and HKSFC Presidents? How's the pandemic control in their country? Is it possible that city lockdown measures will be completely lifted in the second half of this year? Will the prosperous days of the fastener industry seen years ago be back again?



President Adam Derry



The USA has opened up and people are becoming more comfortable traveling and seeing visitors based on the ramp up in vaccinations. Most MLB baseball stadiums now are allowing full capacity of fans to come to the games. The IFE Las Vegas show is scheduled for Sept 21-23 2021. Attendance will certainly be down and the show has planned for that as the venue footprint is smaller.





President Robert Klaassen

Many of our customers and suppliers have begun opening their doors again and welcoming visitors and face to face meetings although I would say the volume of travel is still down from pre-covid levels as people have seen the efficiency and relative effectiveness of teams/zoom/virtual sessions.

The USA market is experiencing significant supply chain and logistical challenges currently – like nothing I've ever seen in my career – based on port /freight delays, cost increases, and overall demand rising. A lot of focus is currently on tracking parts down and doing everything possible to keep production lines running at customers.

In regards to “getting back to normal”, the question is what is “normal”? I don't see us ever getting back to what life/business was like prior to COVID-19. Certainly demand has picked up and it is great to have things opening up again. There is a lot of positive energy in the USA market but the supply chain / logistical challenges we are experiencing are significant and there is no end in sight. I would anticipate these issues continuing into 2022. It is causing significant challenges with team member “burn out” / stress levels and it is a tight labor market currently, which is causing many companies to raise wages to attract people and turn over within organizations has risen.

So far 13 million vaccinations have been given and the corona problem is getting less serious in the Netherlands, but it is still there.

Local restaurants are permitted to be open until 22.00 hours and with no more than 30 – 50 people, depending on the size of the restaurant. Shops are open with a certain maximum of visitors.

The problems with shipping, raw material are worldwide, so they do affect the industry in the Netherlands as well.

The demand is very high due to the economic recovery and there is a shortage of fasteners, especially because of the possible anti-dumping on China.

Many distributors are not able to keep their stock on the level they need.

We think that it will take until summer next year for our industry to be back on a normal track.



Chairman Cheung Kin Ming

The Covid pandemic is universal, so it has brought extremely severe impacts on all countries and trades. The situations of Hong Kong or many factories in Mainland China are no exception, which are basically similar to the situation of Taiwan.

Fortunately, since last year some countries have successfully developed the vaccines. However, as new Covid variants continue to be found, more research and development definitely must be done.

I personally hope that more people in more countries/regions with reinforced preventative measures can get themselves vaccinated by the end of this year, travel ban can be lifted, and overseas fastener related trade shows can successfully take place again.



**Vice Editor-in-Chief of Fastener World Magazine,
Gang Hao Chang**



From the observations of NFDA, NEVIB, and HKSFC Presidents, we could roughly generalize their views into a clear point that the global fastener industry thus far has been comparatively optimistic to the incoming market recovery, though keeping a discreet attitude toward market changes is still a must. The significant imbalance between supply and demand remains the urgent priority that the industry has to do whatever it takes to deal with. Many industry professionals also think that although the gradual market recovery is going toward a positive trend, the development structure as a whole is still fragile. In the long term, any unnecessary external factors that are likely to interfere the balance between market supply and demand (antidumping rates, countervailing duties, or other measures taken to knock down the competitive edge of certain products on the market, for example) must be avoided at all times.

On the other hand, some major industrialized countries in Europe and USA have begun to consider the possibility of a complete lifting of city lockdowns. If this really happens, the vibrant economic activities will once again stimulate more market demand. For regions outside Europe and USA, their governments should still work harder to accelerate vaccinations of their people and do an effective control over the spread of Covid variants, preventing the same situation in the beginning of last year from happening again, in order to make the economic activities recover and all industries get back on track. The operation of many industries in Europe and USA relies heavily upon the seamless collaboration of their supply chains in the Far East and Southeast Asia, so “when one screw is not securely fastened, the machine may not run smoothly.” In the following 6 months, if countries around the world can reinforce mutual collaboration to find out the most effective solution tackling the current challenges and difficulties, I believe that the year 2022 will be a year worthy to be expected. ■

