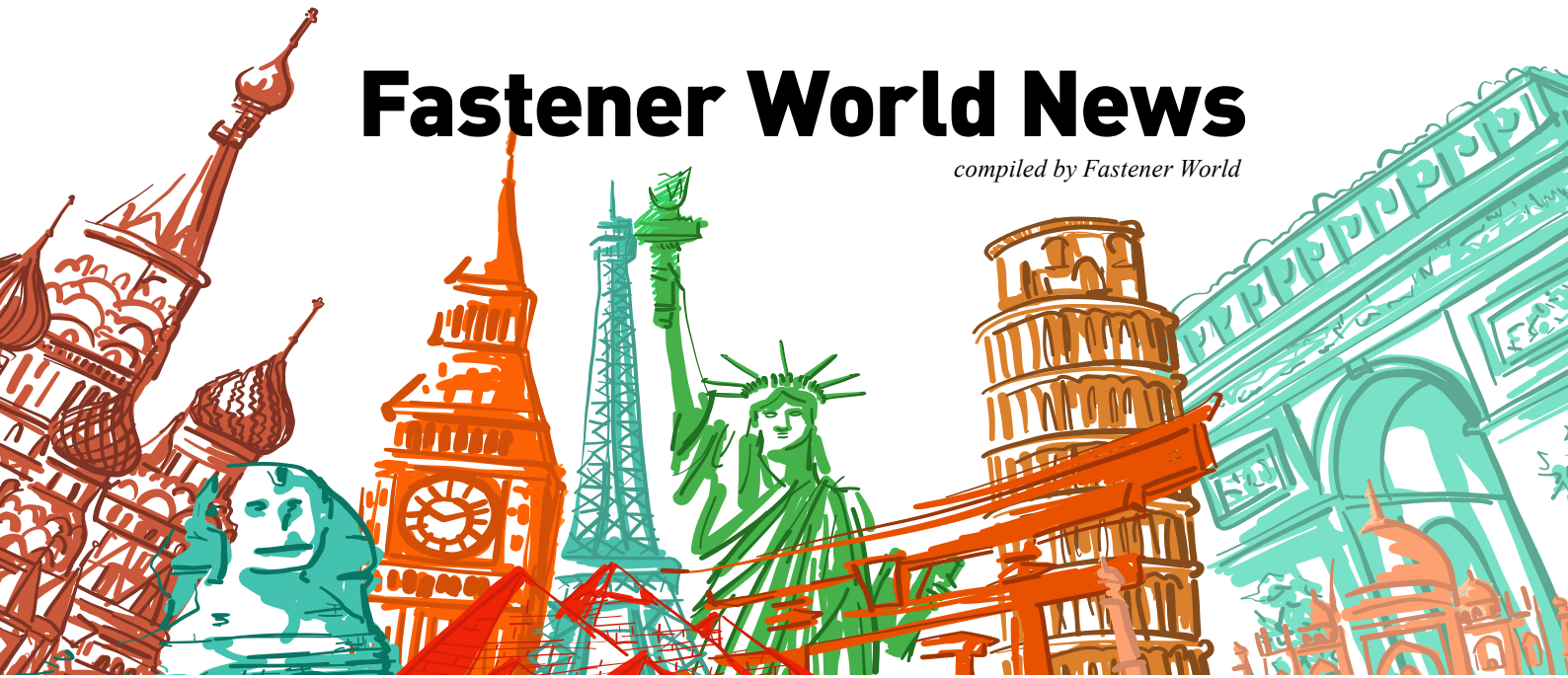


Fastener World News

compiled by Fastener World



Association News

Hong Kong Screw & Fastener Council 2022 Annual General Meeting Successfully Concluded



On December 6, 2022, the Annual General Meeting of the Hong Kong Screw & Fastener Council was held at HKPC Building (78 Tat Chee Avenue, Kowloon, Hong Kong) with virtual streaming online, having more than 70 participants in total. Chairman Tsui Ping Fai expressed his gratitude to the members for their support and reviewed the activities held in the past year, including the General Meeting, Firmware Market Project Sharing Session, Technical Forum and Association Exchange, etc. He also forecasted that a study tour to Japan will be held in April 2023, hoping to bring new technical information to member companies and create more development opportunities for members.

A seminar on "Application of Hybrid Sol - Gel Coating Technology to Enhance Corrosion and Wear Resistance of Fasteners" was also held to explain the technical theory of two common methods to mitigate corrosion and provide reliable and durable protection to metal substrates. At the end of the meeting, HKSFC Founding Chairman Tsui Ping Kwong, Lifetime Honorary President of Shenzhen Fastener Industry Association Weng Kejian, and Honourable Chairman Qiu Yong, exchanged views with the members on the activities, technical exchange and future development, and made an outlook for next year, hoping to continue to develop and grow with the joint efforts of everyone.

Industry Development

EU to Extend Carbon Tax to Fasteners in October 2023

After overnight negotiations, EU countries and European Parliament representatives reached an agreement on Dec. 13, 2022, to impose a tax on CO2 emissions from imported steel and cement and other polluting goods, extending the scope of application from upstream products such as steel, aluminum and cement to downstream products such as screws and bolts. The new mechanism is scheduled to be implemented on a trial basis from October 1, 2023.

The agreement, called the Carbon Border Adjustment Mechanism (CBAM), is a new creation of the European Union in light of the global trend of carbon reduction, and was proposed by the Executive Committee in July 2021. Since EU has set strict carbon reduction requirements for local industries with high carbon dioxide emissions and in order to prevent enterprises increasing costs due to carbon reduction from ending up with uncompetitive prices against imported products, CBAM was created, requiring purchase of carbon reduction certificates for foreign high carbon emission products entering the EU market.



New EV Competitor, World's First Solar Energy Car from the Netherlands

The speed of EV revolution could go beyond our expectation. A startup EV brand from the Netherlands rolled out the first solar energy car Lightyear 0. Production began from November 30, 2022. Unlike general EV cars that have to be pulled over to recharge, Lightyear 0 can recharge on the go under the sun. Even if the battery runs out, it can go ahead running on solar energy. With solar power, it can go 11,000 kilometers on flat grounds each year.

Lightyear 0 is manufactured at Valmet Automotive Group's plant in Finland. The current estimated capacity is 946 units. It uses 60 kWh batteries and runs 625 kilometers with a full recharge.





Taiwan CSC Announces Q1 2023 Price Adjustments

Taiwan's China Steel Corp. has recently announced its latest price adjustments for steel products. The price of wire rod (including low carbon, medium-to-high carbon, cold forged, and low alloy) that is most relevant to fastener manufacturers will be reduced by NT\$1,500 (about US\$48.7) per metric ton. However, the price of automotive materials will be increased by NT\$500 (about US\$16.23) per metric ton. The average price adjustment margin for all steel products will be -0.83%.

Better Prospect for 2023 with Strong Demand for Aerospace and Infrastructure Fasteners

Benefiting from the reopening of the border, zero carbon emission and new infrastructure projects in China and the U.S., the demand for fasteners for aerospace, new energy vehicles, solar energy and rail transportation has increased, which makes NAFCO, Boltun and Tong Ming relatively optimistic about the outlook for 2023. On the development of fasteners in the aerospace industry, NAFCO pointed out that the demand for new machines continues to grow. For instance, Boeing forecasts that the aerospace market will return to pre-epidemic levels in 2023~2024, and will maintain growth momentum in the coming years.

Although its revenue share of electric vehicles is still relatively low, Boltun said that the electric vehicle market is booming, and that the sales volume of existing customers is gradually enlarging. The proportion of conventional car manufacturers developing electric vehicles continues to increase, and new electric vehicle brands continue to join the market.

Although Tong Ming, a stainless steel fastener manufacturer with its main market in China, was facing China's lockdown in the first half of 2022, it is expected that the shipment volume will exceed 130,000 tons and continue to reach a new high under the support of China's infrastructure construction and the company's high market share. Tong Ming continues to be optimistic that the demand for fasteners for rail transportation, solar energy and electric vehicles in China will remain strong, especially under the energy crisis, and expects explosive growth for solar energy fasteners in the next 2~3 years. The company believes shipments in 2023 are expected to be better than in 2022, reaching a new record high.



Companies Development

Chun Yu Expects Mild Rebound in Q2 2023 and Recovery in 2nd Half of the Year



春雨集團
CHUN YU GROUP

Chun Yu said it is looking to end inventory adjustment in Q1 2023.

Its corporate performance could stabilize in Q2 2023 and there could be a mild recovery. There is a chance for Taiwanese fastener market to recover in the second half of 2023. According to Chun Yu's analysis, its output in Taiwan peaked at 12,000 to 13,000 tons while the normal threshold is about 9,000 tons. It reached 8,000 tons from the end of Q3 to Q4 2022 and could return to 10,000 tons per month in 2023.

In terms of China, Chun Yu said the lockdown could soften in the future despite sporadic reoccurrence of COVID, that it couldn't go worse. In good times, outbound delivery can reach 6,000 to 8,000 tons. Currently it is 4,000 to 5,000 tons and could return to 6,000 tons in 2023. Chun Yu has high hopes for Indonesia because the country is breaking records in GDP with a robust local demand. Indonesia is a material producing country and is less subject to inflation. Currently Chun Yu sells 2,000-2,500 tons of products per month there. Chun Yu holds positive outlook toward Europe given the AD tariff on China's fasteners which is thought to favor Taiwanese fastener industry. Chun Yu is actively expanding its market share in the U.S. with steady increases.

Sheh Fung Screws Invests NT\$ 0.7 bn in Establishing Its New Vietnam Plant



sheh fung
screws company

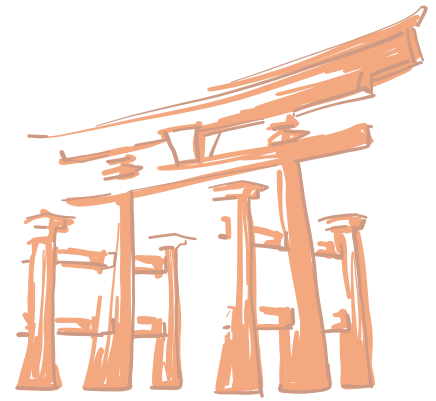
In order to fulfil global manufacturing, reinforce int'l market expansion, and satisfy further business reach in Europe and America, Taiwan-headquartered Sheh Fung Screws, replicating its digital and automated transformation experience in Taiwan, will establish its Group's first overseas manufacturing operation in Tỉnh Bình Thuận (Vietnam). It will invest NT\$ 0.7 bn in establishing the phase-1 plant, which is expected to launch a trial run after Q4 2023 and will officially begin mass production by Q1 2024 at the earliest. Hosted by Sheh Fung's president Terry Tu and general manager Kent Chen as well as witnessed by prominent guests and local officials, the ground-breaking ceremony was held on December 1st, 2022.

"Based on our sizable production and step-by-step advancement in automation, we're able to achieve the most efficient utilization of capacity and human resources at our new Vietnam plant. And, with factors like EU-Vietnam FTA and EU's antidumping taxes against certain Chinese fasteners,



many int'l leading brands have continuously adopted a more diversified sourcing strategy," according to Sheh Fung's general manager Kent Chen.

The new plant is planned to be completed through 2 phases of construction. The phase-1 plant will be used to manufacture medium-to-short sizes of tapping, drilling and coated screws. The monthly capacity is estimated to be up to 800 tons (around NT\$ 670 million). In the future Sheh Fung will also make proper adjustment between the order intake of its plants in Vietnam and Taiwan in order to maximize the investment efficacy.



Boltun Plans a New Plant in Guiren (Taiwan) for Higher Capacity

Boltun supplies automotive fasteners and components for ODM companies. Among its automotive fasteners, 70% are used on conventional cars and 30% on EVs. Given that the conventional car has reached a fully grown state, Boltun has shifted toward the EV industry in recent years. To cope with EV orders and expand capacity, Boltun Sales VP said the company plans to build a 160,100 square meters plant in Guiren District of Tainan City, Taiwan. The company aimed at a budget of NTD 1.7 billion for this investment, but it switched from purchase to land rental which in turn translates to NTD 871 million. The VP said land purchase is a huge expenditure, but that by switching to rental, Boltun can increase more capacity and flexibility in using the budget. The company sees EVs as the drive for growth in 2023, so it has to adjust capacity.



Goldwind Cooperates with Local Government in Yunnan on Wind Power Projects

Tianrun, a wholly owned subsidiary of Goldwind, signed a cooperation framework agreement with Fengqing County Government in Yunnan. The two parties will make full use of Fengqing's wind energy resources to establish a long-term strategic partnership in decentralized wind power development, in order to achieve resource sharing and mutual benefit.

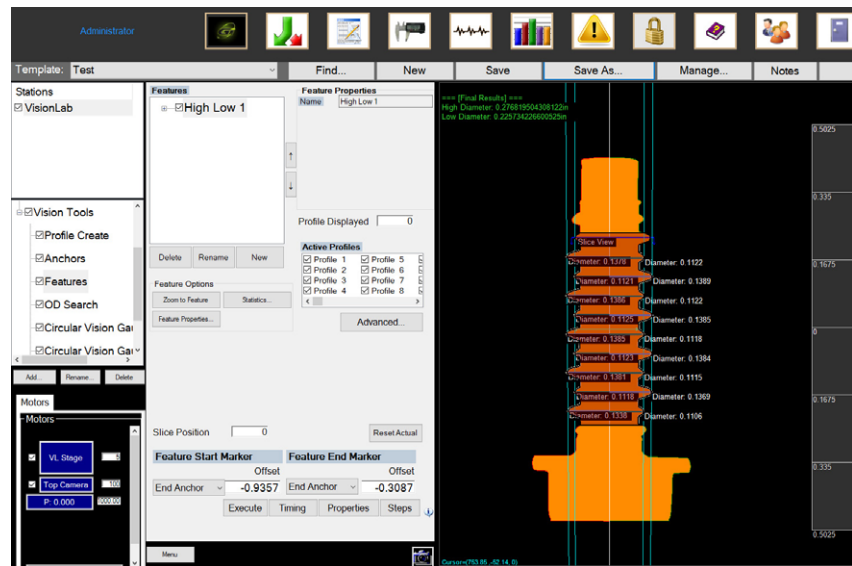
It is worth noting that on September 5, 2022, Goldwind also officially signed an Investment Cooperation Agreement with Yunnan Yunxian Government for the Yunxian Flange Fastener Plant Project. Fengqing has location advantages, huge market potential and a favorable business environment, and the development prospect of decentralized wind power projects is promising. Both sides hope to continuously broaden the collaboration and enrich the results.

Non-Contact Gauging System Measures High/Low Threads

General Inspection, LLC recently added a new high/low thread measuring algorithm to its VisionLab. The 3D fastener gauging system has the most comprehensive thread measurement capabilities, including all pertinent system-22 requirements, lobular shaped threads and now a specific algorithm for high/low threads. Greg Nygaard said, "by popular demand, we've added a tool to our VisionLab system to make measuring high/low threads as simple as a press of a button". The VisionLab allows manufacturers and distributors to measure all critical part features including high/low threads in less than 5 seconds.

In addition to threads, the VisionLab measures all profile features, including GD&T characteristics. An optional "end view" inspection measures and detects defects on both ends of parts including features such as: recesses, inner/outer diameters, through holes and counterbores. Optional surface control is used to detect visual defects, such as bad plating, thread patch presence/quality, as well as, measuring knurl width, gap and height. Optional upper tooling and bit kit are available for uneven parts or parts with a recess drive.

For time savings, traceability and removing error, the VisionLab creates customized, thorough reports with graphs and data charts which can also be uploaded to 3rd party SPC packages.





TR Fastenings Hungary Kft, part of the Trifast plc Group, is celebrating the opening of its new purpose-built facility in Budapest, building on years of rising demand in the region. Located in the southern suburb of Szigetszentmiklós, Budapest, TR Fastenings Hungary Kft is a fastener and Cat. C supplier to international OEM's and their subcontractors not just in Hungary but in the seven countries that border them. The new 3,500 sq. metres modern facility has 9.5 metres eaves in the warehouse and is a high-capacity distribution facility that is ready to support TR's future European growth strategy.

TR Hungary was first established in 2000 and has grown considerably in that time, quickly outgrowing two previous locations. Its rapid growth has been a real success story for TR and the region alike. It has come about through rising demand from large multinational household brands, many of which TR supplies to elsewhere in the world. Hungary has historically been a lower cost production region but with a highly skilled available workforce, making it ideal for this kind of strategic investment. Hungary has a central location in Europe with seven countries on its border, which is perfect for distribution hubs.

The TR Hungary team is fully supported by the Group encompassing Sourcing, Technical and Design, Commercial, Financial, HR and Marketing support.



Zhejiang Ronnie Precision Machinery Establishes a Wholly-owned Subsidiary

According to the company's strategic development plan, Ronnie Precision Machinery announced to set up a wholly-owned subsidiary.

The company's main business is (Ronnie Co., Ltd.) for JPY13 million, manufacturing and sales of precision metal parts such as precision fasteners, connectors and structural parts, mainly providing precision metal parts to customers in downstream applications such as 3C, automotive, communications and power equipment.

In recent years, China's major projects such as West-to-East Gas Transmission, South-to-North Water Transfer, High Speed Railway and West-to-East Electricity Transmission have been fully rolled out, and the local automobile, machinery, home appliance, shipbuilding and transportation industries have continued to grow. The strong demand for production and construction will drive significant growth in the fastening industry.



NORMA Group Receives Major Order for Joining Solutions in Electric Cars

NORMA Group has won a new major order for joining solutions in electric vehicles. From July 2023 until 2030, NORMA Group will equip several of the customer's battery-electric premium models with hose connectors, hose adapters and quick connectors. The order has a total volume of around EUR 34.6 million. CEO Dr. Michael Schneider: "In our strategic business unit 'Mobility and New Energy', we consistently focus on the requirements of our customers. With our experience as a development partner and our certified production standards, we are very well positioned to support our customers in their technological transition towards emission-free mobility."

NORMA Group's connection products are installed in cooling water lines and are used to cool various units in the vehicle, including the battery. The hose connectors and quick connectors have been part of NORMA Group's portfolio for many years. Development engineers at NORMA Group specially adapted them for this order in cooperation with the customer.

The joining products are manufactured at NORMA Group's plants in Maintal, Germany, and in Pilica, Poland. Some of the parts include a temperature sensor in order to ensure optimal operating temperature. In order to meet the increased demand, NORMA Group is investing in injection molding production at the Maintal site, in new assembly machines for quick connectors and in training employees.

Howmet Aerospace Board Approves Preferred Stock Dividend

The Board of Directors of Howmet Aerospace declared a dividend of 93.75 cents per share on the outstanding US \$3.75 Cumulative Preferred Stock ("Class A Stock") of the Company, to be paid on January 1, 2023 to the holders of record of the Class A Stock at the close of business on December 9, 2022.

Howmet Aerospace Inc., headquartered in Pittsburgh, Pennsylvania, is a leading global provider of advanced engineered solutions for the aerospace and transportation industries. The Company's primary businesses focus on jet engine components, aerospace fastening systems, and airframe structural components necessary for missioncritical performance and efficiency in aerospace and defense applications, as well as forged aluminum wheels for commercial transportation. With nearly 1,150 granted and pending patents, the Company's differentiated technologies enable lighter, more fuel-efficient aircraft and commercial trucks to operate with a lower carbon footprint.





Fastener Tool & Supply

Fastener Tool & Supply, Inc. — a nationwide leader in fastener distribution — is proud to announce the launch of their brand-new website. The foundation of Fastener Tool & Supply's business has been rooted in their commitment to operational excellence and customer service since 1977. Additionally, their focus on innovation, quality, and continuous improvement has helped grow their reach across North America. Now, their website is also centered around these fundamental principles.

The focus of the redesigned website is to put the user in control, adding useful elements and features that improve functionality, accessibility, and user experience. This investment reinforces Fastener Tool & Supply's promise to deliver high-tech, user-friendly solutions to help streamline processes and boost efficiency.

Fastener Tool & Supply, Inc. is a trusted distributor of fasteners and related products and services. Headquartered in greater Cleveland, Ohio, they offer over 150,000 fasteners and supply chain solutions that help improve quality and boost productivity. These advanced technologies have propelled them into many cutting-edge industries, such as aerospace, alternative energy, automotive, industrial commercial, construction, high performance, military, and power generation.

San Shing Expects Flat Operating Result from Q4 2022 to Q1 2023 Despite Weak Automotive Fastener Demand

San Shing Fastech said that the automotive fastener demand is not obviously recovering in the U.S. and Europe, and it expects that the market demand will continue adjustment at least until the first half of 2023. Its performance from Q4 2022 to Q1 2023 is expected to level with Q3 2022. Despite an ease on lack of automotive chips, the demand has not obviously come back due to inflation, interest rate hike, the Russia-Ukraine war and European energy crisis. New car sales in the U.S. and Europe in 2022 are still declining.

According to previous experiences, the sluggish market will take at least until the first half of 2023 to improve. Therefore, San Shing Fastech's business operation will remain relatively flat until Q1 2023, and for Q2 it will require monitoring how fast the market will recover. Its fastener products including screws, nuts and washers take up 85% of its product line, with the rest being dies, machines and wire rods. It sells 37.66% of all fastener products to Europe, 36.76% to the U.S., 16.84% to Taiwan, 8.74% to Asia and other regions.

San Shing Fastech continues to strengthen its manufacturing technology and improve the efficiency. By collaborating with Taiwan-based MIRDC on "San Shing Fastech Innovation Center", San Shing Fastech will develop new fastener manufacturing equipment, improve fastener surface treatments and improve inspection services.



Fastener Tool & Supply, Inc. Launches Its New Website



BBI Relocates Its Montreal Facility and Doubles Its Toronto Warehouse

BBI-Montreal has moved from a 90,000 sqft facility into a 154,000 sqft building and BBI-Toronto has doubled its warehouse space to 164,000 sqft facility enhancing just-in-time deliveries into Canada. Brighton-Best is currently located in 31 locations in 6 countries and supplies over 7,000 distributors throughout the world.

Japanese Fukui Byora Invests JPY 7.5 Billion in EV-related Field

In August 2022, Fukui Byora established a logistics center in Shiga Prefecture to provide just-in-time delivery to the Tokai and Kansai regions. The company will capture the demand for EV parts, which is expected to expand significantly. The company will build a new plant located in Katayamazu in summer 2023 as a production base for EVs and high voltage battery parts. They will respond to new demand in the automotive field by utilizing its specialty in cold forging technology.



Acquisition

SUMEEKO German MMG's Shares to be 100% Acquired by Taiwanese SUMEEKO by July 2023

SUMEEKO announced on November/16/2022 that it is to acquire the other 49% shares of Max Mothes GmbH (MMG), a subsidiary of CS Beteiligungs GmbH, for 6.24 million euros in cash. The process is expected to be completed in July 2023 and after that MMG will be fully owned by SUMEEKO. Through an adjustment period of 2.5 years, MMG is back on track with profits gained in 2022 thanks to orders from European carmakers. Previously, SUMEEKO acquired 51% shares of MMG (a Tier 1 supplier for German automakers) for 6.5 million euros, which was completed in July 2018. By fully acquiring MMG shares, SUMEEKO can tap into the supply chains of Ford, Benz, BMA, Volkswagen, Bosch and Siemens.

