



Fastener Trade in Poland in 2018

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2018波蘭扣件貿易分析

Trade Overview

In January 2019 the growth of industrial production in Poland reached 6.1 percent year-on-year, higher than a 2.8 percent growth recorded in December last year. From 1992 until January 2019 the average industrial production growth in Poland was about 6.3%. The highest growth within this period was in March of 2004 at 23.5 percent and the lowest one was in the first month of 2019 at -15.30 percent.

Poland benefits from its labour force quality which is backed by a reasonably high level of efficiency and comparably low wages. Additionally, the consistency and strength of Poland's macroeconomic, development of country's infrastructure as well as opening up the country's trade borders have put Poland's economy in the healthy growing stage. This country recorded 5 percent GDP growth last year and it is projected that its GDP growth will continue in the next 2 years.



In terms of trade statistics, Poland's major export destinations are European countries. The percentage of its export value to the European countries compared with the total global export in recent years was more than 80 percent. In 2017, for example, only a minority of export was shipped to Asia (about 6%), North America (about 4%), Africa and Latin America (about 2%) and the rest was delivered to European countries.

On the other hand, in terms of imports, this country has major suppliers from various countries in Asia other than Europe. China, South Korea, India, Japan and Taiwan are the key Asian exporters having created significant trade deficits for Poland in the last two years. They have exported billions of dollars of products in 2018 to Poland while their value of imports from Polish manufacturers are considerably low.

In December 2018, Poland recorded a trade deficit of EUR 1,340 million. The average trade balance for Poland was EUR -595.02 million from 2000 until 2018. However, early last year, Poland's foreign trade turnover increased almost ten-fold. Most of Poland's imports are capital goods needed for industrial retooling and for manufacturing inputs like machinery and transport equipment.

Among Poland's trading partners that produce the highest positive trade balances, Polish surpluses with Ukraine, Romania and the United Kingdom have been significantly increased at the fastest pace in the last few years. The surpluses obviously explain Poland's competitive advantages with these trading partners, and also show the importance of having particular strategies by Poland for each of these countries in order to optimize the position of Poland in international trade.

Polish Fastener Market

Polish fastener market is one of the most impressive and fastest growing market in Europe, supported by a growing demand of industrial manufacturing, automotive, aerospace and construction industries both locally and internationally. Overall, the significant portion of local fastener production is used for domestic industries. For instance, Poland is one of the largest global furniture exporters, and this industry creates a high demand for industrial fasteners in the country for local manufacturers.

In the fastener market, more specifically for screws, bolts and nuts (HS Code: 7318), the largest export destination for Polish fastener manufacturers is Germany. In 2018, Poland exported about USD 192.7 million worth of fasteners to Germany. The export value in 2018 significantly increased from 2017 with the value of USD 176.1 million. The second largest fastener importer, the UK, which is far behind Germany, imported about USD 36 million worth of fasteners from Polish manufacturers in 2018. The third largest market for Polish fastener manufacturers is France. In 2018, USD 21.4 million worth of fasteners were shipped to France from Poland.



Other than the above 3 major fastener import markets for Polish exporters, the top ten Polish fasteners importers are Sweden, Czech Republic, Slovakia, Russia, Romania, Belgium, Hungary, Belarus, the Netherlands and Norway. It is notable that, other than European countries there is no country from other regions in this list. The total fastener import value of all these 10 countries is less than the value of fastener imports of Germany. This shows how crucial German market is for Polish fastener exporters.

In contrast to importers, Poland's international suppliers who export their products into Poland's market are diversified by a variety of manufacturers and traders from European and Asian countries as well as America. The value of fastener imports to Poland shows that Germany should still remain at the top of the list and be named as the major fastener exporter to Poland followed by China, Taiwan, Italy, America, France, Czech Republic, Japan, Vietnam, South Korea, Spain and the United Kingdom.

In 2018, a total of USD 393.1 million worth of fasteners were imported by Poland from German manufacturers. This amount is slightly less than half of the total fastener import value by Poland in 2018, considering that the list of fastener exporters to the Polish market is ranked based on the value of their exports to Poland. In terms of the quantity of exports, China has the highest number of exports to Poland as a majority of their products are standard fasteners with lower quality and cheaper prices compared with German fasteners. Chinese exporters sold about USD 113.6 million worth of fasteners to the Polish market which is significantly lower than the amount sold by German exporters. However, the quantity of exports in 2018 for Chinese exporters into Poland was 77,747 tons compared with 61,350 tons which German manufacturers shipped to Poland.

Polish industrial fastener imports are strongly dependent on domestic and regional demand. Local industrial growth and exports to the EU (more specifically to Germany) play an essential role of creating fastener demand. Additionally, solid private consumption and rebounding investment in Poland have significant contribution on generating demand for fastener imports.

Polish fastener manufacturers need to take advantage of the opportunities created by the changing global market trends. Exporters could become truly competitive on a global scale by focusing on areas in which they are strong. However, the fastener manufacturing sector in Poland still has a long way to grow more specifically in areas like international cooperation, research and development, acquisition of foreign companies and technology. Local manufacturers and exporters need efficient and aggressive international promotion. Last but not least, Poland will still require more improvements in infrastructure, make simpler regulations more specifically in order to attract foreign investors, and to invest more and more in new technologies and innovation. ■

Sources:

*World's Top Exports, Poland's Top Trading Partners
ITC, Trade statistics for international business development
Poland 2025: Europe's new growth engine by McKinsey & Company*



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