



2018東盟扣件貿易剖析

ASEAN Fastener Trade Statistics in 2018

by Shervin Shahidi Hamedani

ASEAN Economy – Overview

Based on a report published by the Organisation for Economic Cooperation and Development (OECD), the gross domestic product (GDP) in emerging Asia is projected to grow by an annual average of 6.1% between 2019 to 2023. The domestic demand is estimated to keep its strength, mainly in household spending, as job markets are expected to remain vibrant. However, trade is facing more uncertain prospects as tariff measures broaden. Southeast Asia is estimated to carry on its growth by 5.2% until 2023, faster than the rate registered between 2012 to 2016. In 2018, the estimated total GDP of all ASEAN states amounted to approximately 2.92 trillion U.S. dollars, a significant increase from the previous years.

| Country | GDP Growth | | | |
|-------------------|------------|------|---------------------|---------------------|
| | 2018 | 2019 | 2019-2023 (Average) | 2012-2016 (Average) |
| Indonesia | 5.2 | 5.2 | 5.3 | 5.3 |
| Malaysia | 4.9 | 4.8 | 4.6 | 5.1 |
| Philippines | 6.4 | 6.5 | 6.6 | 6.6 |
| Thailand | 4.5 | 4.1 | 3.7 | 3.4 |
| Vietnam | 6.9 | 6.7 | 6.5 | 5.9 |
| Brunei Darussalam | 2.0 | 2.3 | 2.0 | -1.3 |
| Singapore | 3.5 | 2.9 | 2.7 | 3.5 |
| Cambodia | 7.0 | 6.9 | 6.9 | 7.1 |
| Lao PDR | 6.6 | 6.8 | 7.0 | 7.6 |
| Myanmar | 6.6 | 6.9 | 7.0 | 7.3 |

As stated in the above table, Indonesia's GDP is projected to grow with the average of 5.3%, in the next few years, the same rate as in 2012-2016. Considering the lively health of the labour market, the private consumption should expand strongly. The GDP of Malaysia is estimated to rise by 4.6% in 2019-2023, slower than the growth in 2012-16, while private consumption will still remain strong.

The Philippines' medium-term growth is estimated to reach 6.6%, similar to what this country reached between 2012 to 2016. The underemployment rate, which has recently risen again, despite the decline in the labour participation rate, requires attention. Thailand's GDP is estimated to grow 3.7% a year, up from 3.4% in 2012-2016. The effective implementation of an East Economic Corridor (EEC) infrastructure under the scheme of Thailand 4.0 will be vital to continuing this growth.

Vietnam's exports are expected to continue to play its important role in the country's economy, supported by the growth of foreign

direct investment (FDI). Therefore, Vietnam's GDP is forecast to increase by 0.6% to reach 6.5% on average in 2019-2023. Brunei Darussalam's GDP is expected to grow annually by 2.0% from 2019-2023, recovering from the average of -1.3% in 2012-2016, mainly because of the oil price fluctuations. Singapore is projected to record 2.7% GDP annual growth in the next few years, lower than its average of 3.5% in 2012-2016. Fixed investment is projected to grow in line with various infrastructure plans in this country.

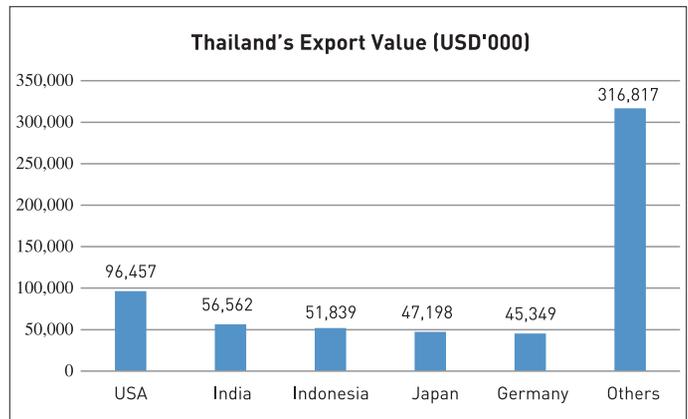
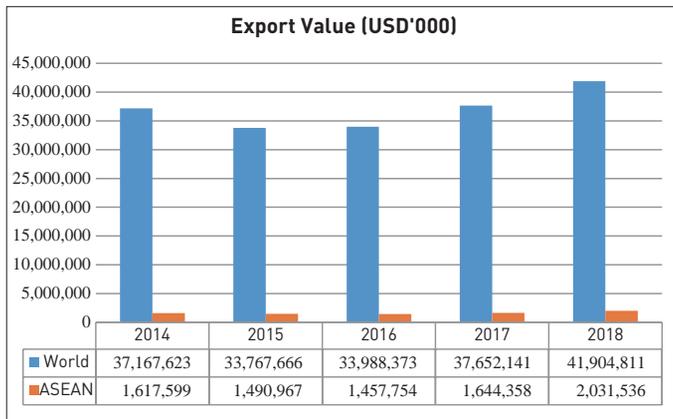
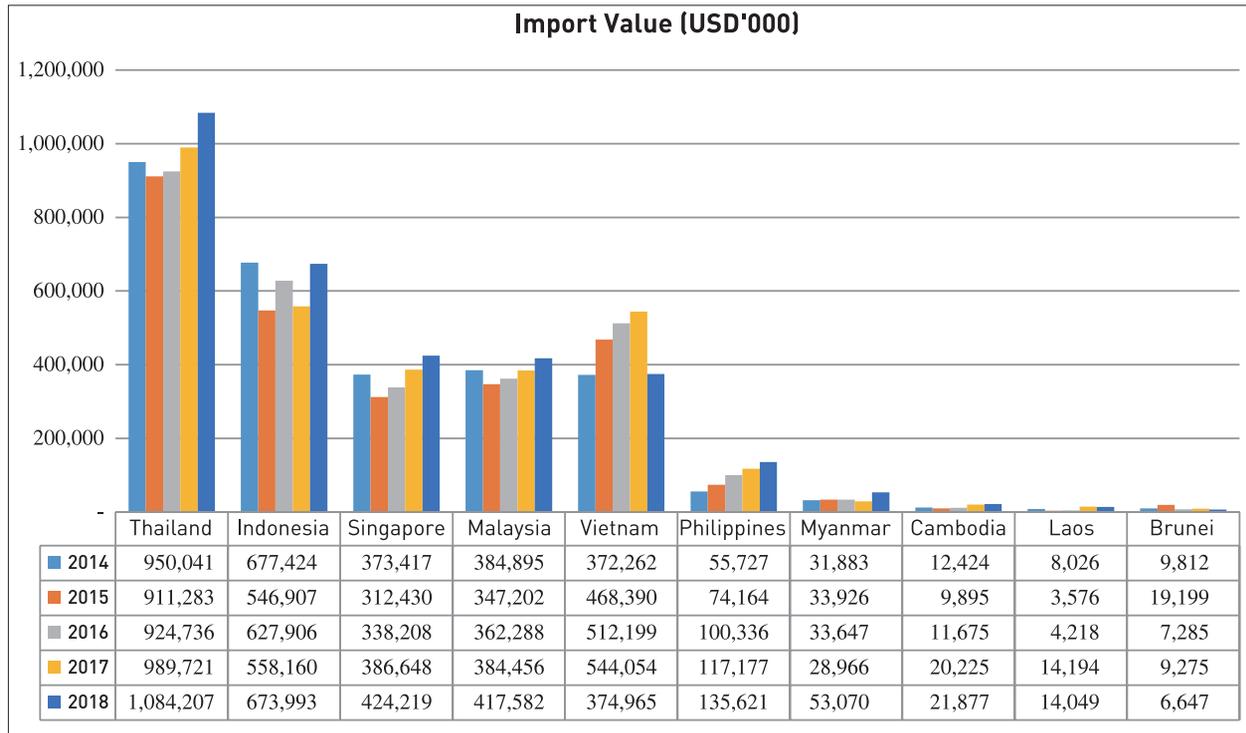
Cambodia's economy is projected to expand by 6.9% in the next four years until 2023, marginally lower than the 7.1% growth in 2012-2016. The firm growth of foreign capital and the country's involvement in multilateral infrastructure projects fit well with infrastructure, exports and the job market. Lao PDR's GDP is estimated to post 7.0% annually in 2019-2023 and will go down from 7.6% recorded in 2012-2016. The growth is largely supported by country's deals in energy and economic. Myanmar's economy is projected to reach 7.0% growth annually in 2019-2023, slightly lower than its growth in 2012-2016 at 7.3%. The growth is backed by country's development in investment and liberalisation.

ASEAN Fasteners

The trade performance of ASEAN countries is relatively stable and FDI inflows remain positive. ASEAN has developed and has been recognized as one of the major regions to produce and export industrial fasteners regionally and globally supported by the presence of several small and medium scale players. Industrial players are investing in R&D and production of a range of fasteners from standard to specialty fasteners in order to cater to application-specific demand by end users and to keep up with the extremely competitive market.

The market is undertaking evolution from manufacturing standard metal products to producing superior quality and specialty fasteners to meet the increasing demand for application-specific products. As illustrated in the following chart, the total fastener exports value in ASEAN was more than USD 2 billion which was about 5% of the total global exports value in 2018.

Thailand, Vietnam, Singapore and Malaysia are the top fastener exporters within ASEAN countries, and recorded about USD 1.1 billion worth of exports in 2018. Thailand exported more than USD 600 million of fasteners last year, followed by Vietnam with about USD 520 million and Singapore with slightly less than USD 330 million.



The major destinations for Thailand's exports are the US, India, Indonesia, Japan and Germany recording almost 50% of the total export value.

Germany, the Netherlands, Japan, UK and Belgium are the main importers of Vietnam's fasteners. Singapore exports fasteners mainly to its neighbours, including, Malaysia, Indonesia, Thailand, and Philippines. Similarly, Malaysia has shipped most of its fasteners to Singapore and Thailand. Other countries importing Malaysian fasteners, are Germany, China and the Netherlands.

In terms of imports, Thailand is still the largest market within ASEAN countries, with more than one billion US dollar imports in 2018. Japan, China and Taiwan are the largest fastener exporters to Thai market. Within ASEAN countries, the second largest import market is Indonesia with the total value of USD 674 million in 2018. Last year, Japan, China, Singapore and Thailand were top fastener exporters to

Indonesia. Singapore imported more than USD 420 million worth of fasteners mainly from China, the U.S., Malaysia, Taiwan and Japan.

Growth estimates in the near and medium term are beneficial and favourable for emerging Asia as well as ASEAN. If countries in this region are to keep their healthy growth momentum however, appropriate policies are required to increase the business opportunities, mitigate the risks of investments and strengthen fastener exports performance.

Within ASEAN countries, Singapore is leading the way in raising capital, market penetration and degree of sophistication while other countries are slowly catching up and opening up their markets for new investments and technologies. ■

Sources:

1. Economic Outlook for Southeast Asia, China and India 2019
2. Trade statistics for international business development, ITC TradeMap