



# Fastbolt Group

**Ekkehard Beermann, managing director**

**2017 has been a challenging and exciting business year in many ways. For us as importers of standard industrial fasteners, two decisive ‘outside’ aspects have had an overwhelming impact on all the challenges we have been facing on a daily basis.**

**F**irstly, the continuation of the 2016 initiated purchasing price rally in Asia, and secondly the strong demand on our sales side within our customer base, which comprises of about 1,800 distributors all over Europe – served through our three European warehouses in Germany, the UK and Portugal.

The buying side in Asia was predominantly influenced by various attempts from the Chinese government to reduce the overall output of their steel industry and to implement stronger environmental protection regulations, which both resulted in major price increases for wire rod. These price increases reversed the downtrend of Asian wire rod in the years 2012 until early 2016 and brought the price level up to where it was at the end of 2011. This remarkable development, which impacted the entire Asian fastener manufacturing base in 2017, set the direction and pace for a non-stop one way road of significant buying price increases for all parts of our product range – as well as an increase of delivery times for fasteners mainly in the second half of the year.



It was through our permanent presence in the main Asian supply markets, and the enormous efforts carried out by our key supply partners, that we were able to handle these severe conditions in a way that still enabled us to successfully respond to the strong demand on the sales side of our business. A sales side that showed strong customer demands throughout the year from most European fastener distribution markets – reflecting prospering business in a high number of different fastener consuming business sectors.

A further hurdle we had to overcome in the course of the busy year was the increasing difficulty to obtain sufficient freight capacities for outgoing shipments, as a result of a booming economy in Europe and growing structural difficulties to catch up with this trend within the logistics sector.

2017 has also been a year that brought major progress within the digitalisation of our industry. The speed of market development, increased market transparency and constantly growing requirements on processing efficiency, safety, and speed, are fuelling the trend to develop digital solutions to optimise supply chain, manufacturing, logistics and sales. We at Fastbolt discovered this opportunity for our business a while ago

and established our own in-house development department programming customised digital solutions to make our business smarter and offering our customers sustainable advantages. 2017 has been an important year for this development and has also set the ground for future innovation.

Looking at the upcoming year of 2018 there are two things we can see clearly already for the first part of the year. Firstly, the inevitable effect of the price rally in Asia with massive volumes of goods floating into European warehouses in the first half of 2018 at significantly higher prices than the average stock price of the existing inventory. The further trend of raw material in both Asia and Europe will need to be awaited towards second and third quarter 2018. On the other hand we forecast a continuation of strong demands resulting from further growth in most fastener consuming sectors, as most analysts predict GDP growth in Europe to be even stronger in 2018 than in 2017. An ‘unknown’ however will be the final agreement on the BREXIT contract, which is expected to be reached in autumn 2018. We at Fastbolt, with a strong presence in the UK market, certainly hope that BREXIT consequences will not be too negative for our industry in the years to come. +

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