



TIFI president
Tu-chin Tsai

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Taiwan CSC Production & Sales Conference with Fastener Business Owners

Owners Laser-Focused on Steel Price & Carbon Neutrality Initiative

by Dean Tseng, Fastener World

After a lapse of a year, on December 1 last year, Taiwan CSC was able to hold a production and sales conference for the Q1 2022 period. A record-breaking number of nearly 250 people took part in this conference. It was clear that they were very interested in steel price and CSC's agenda for the new year. Opening the conference, Taiwan Industrial Fasteners Institute (TIFI) president Mr. Tu-Chin Tsai said: "Taiwan is blessed with a one-of-a-kind consolidated supply chain and an established national anti-COVID mechanism that again thwarted the virus outrage. I'm glad we can all come together again."

In regard to the economy, CSC reported the International Monetary Fund revised the projected global GDP growth rate for 2022 down from 5.9% in 2021 to 4.9%. Additionally, the projected GDP growth rate for 2022 was revised down from 6.0% in 2021 to 5.2% in the U.S., down from 5.0% in 2021 to 4.3% in Europe, up from 2.4% in 2021 to 3.2% in Japan, down from 6.0% in 2021 to 4.1% in Taiwan, down from 8.0% in 2021 to 5.6% in China, and up from 2.9% in 2021 to 5.8% in ASEAN.

Despite continuing with economic expansion, the U.S. still faces insufficient supply of automotive chips. The European recovery is gaining speed but is still plagued with short supply and the emergence of the variant Omicron. Many factories in Southeast Asia have rebooted production and it helps ease the pressure on the supply chain. China's PMI was back above the dividing line signaling an upturn in domestic demand that benefits the economic development in Q1, 2022. Taiwan's export value for the first 10 months of 2021 leaped 30.2% to USD 540.73 billion. Overall, the economy is recovering in most countries. The world's trade could increase 7% in 2020. In regard to steel price, we can expect little change in global steel CRU Index but there is room for growth.

In regard to wire rods, the top three import sources in the first 10 months of 2021 were India, South Korea, Vietnam. The top imported products were low carbon steel (taking up 58%) and alloy steel (26%). The import volume of the same period was 727 thousand tons, up 73%.

Regarding Taiwan's fastener export, the export volume of the same period was 1.39 million tons, up 18.9%, and the average price grew 11.9%, both showing evident increase (as detailed in Table 1). The top 3 export destinations were the U.S. (629 thousand tons, up 17.5, taking up 45.1% of total export), Germany (112 thousand tons, up 14%, taking up 8.1%), and the Netherlands (76 thousand, up 35.3%, taking up 5.4%).

Table 1. Taiwan's Fastener Export & Price Growth Rates in the First 10 Months of 2021

Product	Export Volume	Unit Price
Wood Screws	+23.89%	+8.90%
Self-tapping Screws	+20.19%	+12.30%
Bolts	+12.05%	+13.04%
Nuts	+35.99%	+7.05%

At the conference, Mr. Tea-ren Sun, president of Jau Yeou Industry, called out for CSC to refrain from lifting the steel price for Q1 2022. On another note, a business owner from the audience was concerned about carbon tax and inquired for CSC's

future agenda on coping with carbon tax. CSC responded to set 2018 as the baseline and it is targeted to reduce carbon emission by 7% in 2025 and reach carbon neutrality by 2050. Currently, CSC has commenced checking the carbon footprint of its manufacturing facilities, and will negotiate with major downstream carbon emitting companies with hopes to produce exquisite steel and achieve green manufacture. President Tu-Chin Tsai echoed that fastener business owners are advised to utilize recycled materials and water to achieve the carbon reduction target in tandem with CSC.

