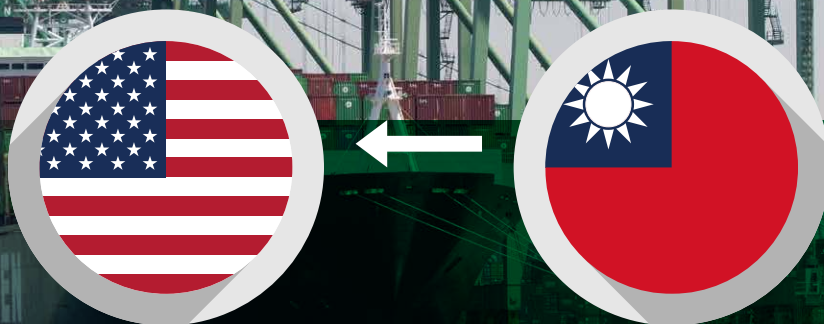


2019-2022 Taiwan Fastener Export to the U.S.



For many years, Taiwan's fasteners have been mainly exported to the European and American markets. In addition to about 30% of its production capacity being utilized to serve European customers, about 45% of its production capacity is also utilized to serve the U.S. market. The changes in supply and demand in the U.S. construction, machinery, automotive, railway, 3C, aerospace, and other important fastener application industries also often affect the overall marketing and investment development of Taiwan fastener industry, demonstrating the close connection between Taiwan and the U.S. fastener supply chains. Despite the rise of many competing countries in the market, Taiwan's industry is still unable to be replaced by competitors from other countries in the short term due to its long-standing and in-depth presence in the U.S. market and its leading edge in quality, price, service and innovation. This article will analyze the future development trend of Taiwan fastener industry based on the statistics released by the U.S. ITA and the export database of Taiwan's Bureau of Foreign Trade. (Note: The data released by the U.S. ITA and Taiwan's Bureau of Foreign Trade may be slightly different due to time difference, but it will not affect the overall analysis results).

Taiwan Fasteners are Still the Mainstream of U.S. Procurement; Sales to the U.S. in 2022 will Reach a New High

During the period from 2019 to November 2022, the overall export trend of Taiwan fastener industry showed a decline followed by a rebound. This was mainly due to the outbreak of the epidemic from 2019 to early 2020, which led to the border control and manufacturing shutdown in various countries, resulting in a decrease in global demand for fastener production. However, despite the decrease in import demand, it can be observed that the amount of fasteners imported by the U.S. from countries around the world still remained at a certain level, **with the U.S. importing approximately US\$5.514 billion of fasteners from the world in 2019 and decreasing to US\$4.777 billion in 2020, without the so-called "total disappearance of fastener demand" or "big dive in orders" curve. On the contrary, during the period of 2021-2022, because the control of the epidemic in Europe and the U.S. gradually changed to the influenza mode, borders gradually opened up, the operation of society gradually returned to normal, as a result, the demand of the industries revived and the procurement of fasteners increased rather than decreased.**

At this stage, Taiwan is still the largest source of fasteners purchased by the U.S., and the import amount is obviously higher than those of other countries. And **with the performance of Taiwan's fastener export to the U.S. in the first 11 months of 2022, which was already higher than the whole year of 2021, it can be confirmed that Taiwan's fastener export to the U.S. will reach a new high in the full year of 2022.** In addition, benefiting from Taiwan's relatively stable control of the epidemic, the U.S. 25% tariff on Chinese fasteners and other products, as well as the epidemic in China becoming more severe again, U.S. buyers have adjusted their procurement strategy and switched orders to Taiwan in order to avoid a broken supply chain in inventory, indirectly weakening the rebound of Chinese fasteners sales to the U.S., and gradually widening the gap between Taiwan and China's performance since 2020.



In addition, **South Korea, India and Turkey, which are classified as imaginary competitors by some Taiwanese manufacturers for export competition, reported only less than 1/10th of Taiwan's fastener export to the U.S., and cannot pose a threat to Taiwan's fasteners in the short term.** On the other hand, Japan, Canada, Germany and Italy, which mainly focus on the production of higher-end fasteners, also ranked high in the list of major fastener import sources in the U.S.

The top 20 fastener import sources in the U.S. are Taiwan, China, South Korea, India, Mexico, Thailand, Vietnam, the United Kingdom, France, Malaysia, and Brazil, which have been identified to perform better than the previous year in 2022.

US Fastener Import in 2019-Oct. 2022 (Unit: million USD)

| Country | 2019 | 2020 | 2021 | Jan-Oct 2022 |
|----------------|--------------|--------------|--------------|--------------|
| World | 5,514 | 4,777 | 6,046 | 6,526 |
| Taiwan | 1,898 | 1,763 | 2,271 | 2,544 |
| China | 1,103 | 824 | 1,118 | 1,393 |
| Japan | 624 | 506 | 622 | 478 |
| Canada | 310 | 259 | 322 | 317 |
| Germany | 365 | 328 | 366 | 309 |
| South Korea | 188 | 173 | 213 | 238 |
| India | 145 | 107 | 183 | 208 |
| Italy | 144 | 137 | 171 | 161 |
| Mexico | 130 | 110 | 129 | 142 |
| Thailand | 83 | 74 | 87 | 135 |
| Vietnam | 62 | 70 | 83 | 97 |
| United Kingdom | 87 | 82 | 85 | 87 |
| France | 87 | 70 | 69 | 75 |
| Turkey | 20 | 25 | 34 | 33 |
| Switzerland | 31 | 29 | 32 | 30 |
| Malaysia | 21 | 17 | 19 | 29 |
| Sweden | 27 | 18 | 26 | 23 |
| Spain | 27 | 28 | 29 | 21 |
| Brazil | 12 | 12 | 18 | 20 |
| Liechtenstein | 15 | 18 | 22 | 19 |

Source: US ITA

It can also be observed from the statistics of Taiwan's top 20 export partners that not only the United States, but also Germany, the Netherlands, Japan, Canada, Mexico, Sweden, Italy, Australia, France, Poland, Spain, Slovakia, India, Denmark, and Vietnam have seen significant growth in export value during the same period. Slovakia even nearly doubled the growth, which is worthy of attention.

Conclusion

Taiwan fastener industry has nearly 2,000 companies and up to 40,000 employees. It has the most dense and integrated fastener manufacturing chain in the world, and has continued to play a reliable role in supporting the U.S. and global industries for many years. The relevant data also show that the Taiwanese industry is still an indispensable source of fastener supply for the U.S. market and cannot be replaced by other countries in the near future. The high level of interest from U.S. buyers in the International Fastener Expo (IFE) in Las Vegas this year was also observed. Before the emergence of stronger competitors in the market, Taiwanese suppliers should seize the opportunities to actively strengthen the development of more high-value added products and deployment in more advanced markets, so as to avoid the dilemma that the product homogeneity is too high and can only compare prices with other competitors. On the other hand, they should also make good use of their current leading position in the U.S. market to deepen the cooperation links with local customers and show the uniqueness of their own services, so as to maintain the adhesion of customers to Taiwan's fastener supply chain and create more possibilities for future cooperation.

Increased Sales Values; Taiwan Bears Fruit in High Value-added Fastener Development

According to the statistical data from Taiwan's Bureau of Foreign Trade, **Taiwan exported a total of about 1.5 million tons of fasteners to the world in the first 11 months of 2022, almost the same as in the same period of 2021, and has returned to the export level of 2019 before the epidemic;** its export to the U.S. reached 667,400 tons, accounting for 44.63% of Taiwan's total fastener exports, a slight increase of 2.30% over the same period in 2021. It is worth noting that **although Taiwan's fastener export volume in the first 11 months of 2022 did not change much compared to the same period of the previous year, but its export values to most of the top 20 export partners have long exceeded the annual data of 2021, which can be roughly deduced that Taiwan's fastener unit prices in the current exports have been recently on a rise.**

In the first 11 months of 2022, Taiwan exported a total of about US\$5.7 billion of fasteners worldwide, a significant increase of 17.24% compared to the same period in 2021, of which the U.S. accounted for about US\$2.555 billion, and compared to the same period in 2021, an increase of 23.17%, a better overall growth trend.

I think it might be that in recent years Taiwan fastener industry has been doing a lot and proved to be quite successful in its way toward smart manufacturing, higher value-added products, and more customized service, and has invested faster than its competitors in China and Southeast Asian countries, thus indirectly enhancing the competitiveness of Taiwan's products on the global stage. On the other hand, the crisis of disrupted supply chains encountered by many U.S. buyers during the epidemic has made them realize the efficiency and advantages of Taiwan fastener industry in terms of its quality and service, and they are willing to purchase Taiwan's fasteners at higher prices to make up for the inventory shortages.



Top 20 Partners of Taiwan's Fastener Export (KG) in 2019-Nov. 2022

| | 2019 | 2020 | 2021 | 2022/Jan.- 2022/Nov. | Share (%) in Jan.-Nov. 2022 | 2021/2022 Same Period Change (%) |
|--------------------|----------------------|----------------------|----------------------|-------------------------|-----------------------------------|--|
| Global | 1,479,292,223 | 1,363,249,857 | 1,610,697,606 | 1,495,400,767 | 100 | 0.513 |
| United States | 621,962,469 | 609,131,909 | 699,424,627 | 667,436,000 | 44.633 | 2.303 |
| Germany | 132,505,809 | 116,623,332 | 140,334,458 | 135,660,007 | 9.072 | 6.624 |
| Netherlands | 80,348,283 | 67,241,601 | 92,325,806 | 86,725,588 | 5.799 | 2.686 |
| Japan | 72,771,839 | 63,283,611 | 66,328,760 | 63,100,822 | 4.220 | 3.909 |
| Canada | 51,295,923 | 45,368,429 | 57,377,615 | 49,678,532 | 3.322 | -5.329 |
| United Kingdom | 55,620,928 | 41,692,178 | 60,596,995 | 47,057,013 | 3.147 | -16.014 |
| Italy | 32,429,910 | 27,368,054 | 35,787,498 | 39,213,133 | 2.622 | 16.680 |
| Mexico | 31,167,935 | 23,813,674 | 34,183,071 | 30,556,156 | 2.043 | -0.827 |
| Sweden | 28,912,202 | 24,839,100 | 32,330,710 | 30,222,724 | 2.021 | 1.970 |
| Poland | 31,645,985 | 27,418,561 | 33,003,477 | 29,137,178 | 1.948 | -5.643 |
| Spain | 27,015,928 | 23,066,684 | 31,967,659 | 28,769,712 | 1.924 | -2.918 |
| China | 20,276,785 | 24,079,544 | 33,366,679 | 24,903,911 | 1.665 | -17.395 |
| France | 27,639,807 | 23,178,904 | 26,338,768 | 24,489,405 | 1.638 | 0.894 |
| Australia | 19,377,435 | 19,766,919 | 23,380,789 | 24,147,784 | 1.615 | 17.543 |
| Thailand | 21,720,407 | 20,775,441 | 23,890,165 | 18,781,797 | 1.256 | -14.783 |
| Slovakia | 8,797,787 | 7,888,422 | 9,393,855 | 15,487,166 | 1.036 | 75.392 |
| India | 12,978,587 | 12,195,250 | 14,062,615 | 11,612,630 | 0.777 | -11.922 |
| Belgium | 17,378,900 | 13,300,763 | 15,354,809 | 10,764,603 | 0.720 | -25.297 |
| Saudi Arabia | 9,197,623 | 11,519,394 | 9,984,359 | 9,782,759 | 0.654 | 3.130 |
| Russian Federation | 17,425,037 | 15,488,403 | 15,934,986 | 9,779,391 | 0.654 | -33.465 |

Source: Taiwan's Bureau of Foreign Trade

Top 20 Partners of Taiwan's Fastener Export (USD) in 2019-Nov. 2022

| | 2019 | 2020 | 2021 | 2022/Jan.- 2022/Nov. | Share (%) in Jan.-Nov. 2022 | 2021/2022 Same Period Change (%) |
|----------------|----------------------|----------------------|----------------------|-------------------------|-----------------------------------|--|
| Global | 4,316,380,032 | 3,969,114,428 | 5,319,398,407 | 5,699,141,036 | 100 | 17.242 |
| United States | 1,751,810,124 | 1,689,817,152 | 2,249,932,503 | 2,554,755,329 | 44.827 | 23.172 |
| Germany | 392,118,297 | 340,097,242 | 454,931,212 | 474,873,293 | 8.332 | 16.098 |
| Netherlands | 227,785,981 | 195,142,285 | 291,941,389 | 308,164,492 | 5.407 | 16.806 |
| Japan | 241,272,905 | 209,497,416 | 246,070,626 | 265,296,791 | 4.655 | 18.636 |
| United Kingdom | 171,259,001 | 136,837,417 | 208,903,511 | 192,802,423 | 3.383 | 0.891 |
| Canada | 145,037,763 | 128,760,834 | 176,999,474 | 179,819,114 | 3.155 | 11.497 |
| China | 114,145,687 | 128,962,962 | 191,236,329 | 159,802,800 | 2.804 | -7.626 |
| Mexico | 97,384,603 | 77,878,026 | 119,553,758 | 126,710,925 | 2.223 | 18.921 |
| Sweden | 94,555,904 | 85,303,928 | 121,742,008 | 124,603,961 | 2.186 | 13.152 |
| Italy | 82,026,949 | 70,888,895 | 103,873,841 | 120,667,600 | 2.117 | 24.404 |
| Australia | 69,235,465 | 69,806,992 | 92,257,677 | 109,002,382 | 1.913 | 36.307 |
| France | 80,661,599 | 68,227,341 | 82,677,008 | 88,887,602 | 1.560 | 17.148 |
| Poland | 67,825,360 | 58,766,598 | 81,787,622 | 84,462,887 | 1.482 | 11.406 |
| Spain | 64,535,795 | 55,463,942 | 83,072,214 | 84,101,510 | 1.476 | 9.891 |
| Thailand | 69,487,371 | 64,688,319 | 83,681,163 | 75,475,451 | 1.324 | -1.055 |
| Slovakia | 19,760,325 | 18,229,004 | 23,660,937 | 43,291,635 | 0.760 | 96.197 |
| Belgium | 51,612,649 | 40,061,696 | 52,867,737 | 41,950,958 | 0.736 | -14.513 |
| India | 35,688,409 | 33,228,708 | 42,979,529 | 41,389,841 | 0.726 | 3.889 |
| Denmark | 30,142,035 | 29,015,355 | 35,326,825 | 38,582,095 | 0.677 | 21.186 |
| Vietnam | 32,742,405 | 34,387,510 | 38,888,113 | 38,294,038 | 0.672 | 9.345 |

Source: Taiwan's Bureau of Foreign Trade

by Gang Hao Chang, Vice Editor-in-Chief of Fastener World

