

Analyzing Vietnamese Fastener Industry After Vietnam Reduced Tariffs Against USA

1. Foreword

After President Trump took office in 2025, he restarted the trade protectionism by announcing reciprocal tariffs on many countries. Due to the impact of the U.S.-China trade war, Vietnam has been rapidly taking some orders made to China in recent years and has become a transshipment country for Chinese goods exported to the U.S. Vietnam also possesses the tariff-free advantage of CPTPP and RCEP, quickly increasing its importance in the global supply chain. However, facing US high tariffs on Vietnam this year, the Vietnamese government has taken the initiative to reduce various taxes and announce exemptions. The U.S. and Vietnam announced in early July that they had reached an agreement under which Vietnam would fully open its trade market to the U.S., and the U.S. would impose a tariff of 20% on all Vietnamese goods exported to the U.S., and a tariff of 40% on transshipment goods. This article will expound upon the fastener imports and exports of ASEAN and Vietnam in recent years, analyze the impact of the Vietnamese government's tax reduction on industrial activities, estimate the tax rate difference of Vietnam's fasteners exported to the U.S. and the subsequent impact of Vietnam's tax reduction measures, and put forward the proposal that when the global fastener market reshuffles and the orders start to be transferred from China, how Taiwanese fastener industry can grasp the changes in the global supply chain and control the potential risks.

2. ASEAN' Fastener Imports and Exports with the World

Table 1 shows major fastener import origins and export destinations of ASEAN and their CAGR in 2024; the total fastener import and export values of ASEAN in 2024 were US\$3.772 billion and US\$2.114 billion respectively, with the 5-year CAGR being 7.3% for imports and 6.6% for exports, indicating that the fastener industry in ASEAN was in a stable growth stage. Vietnam accounted for 20% in ASEAN's fastener imports, making it the 2nd largest importer, with the 5-year CAGR of 4.9%; in terms of exports, Vietnam accounted for about 27.6% in ASEAN's fastener exports, making it the 2nd largest exporter, with the 5-year CAGR of ~6.5%. Therefore, **Vietnam has become a potential fastener trade partner only second to Thailand in ASEAN in terms of import demand or export competitiveness.**

Table 1. Major Fastener Import Origins and Export Destinations of ASEAN in 2024 and Their CAGR

Unit: US\$0.1 bn;%

Importer	2024	Share in ASEAN's Imports	5-Year CAGR	Exporter	2024	Share in ASEAN's Exports	5-Year CAGR
Thailand	10.46	27.7%	4.2%	Thailand	5.92	28.0%	7.9%
Vietnam	7.55	20.0%	4.9%	Vietnam	5.83	27.6%	6.5%
Malaysia	6.19	16.4%	12.9%	Singapore	4.10	19.4%	8.5%
Indonesia	4.97	13.2%	10.5%	Malaysia	3.28	15.5%	5.0%
Singapore	4.94	13.1%	8.2%	Indonesia	1.32	6.2%	14.5%
Philippines	2.47	6.5%	16.8%	Philippines	0.66	3.1%	-11.2%
Top 6 Subtotal	36.58	97.0%	7.7%	Top 6 Subtotal	21.11	99.9%	6.5%
Other ASEAN	1.14	3.0%	-2.6%	Other ASEAN	0.02	0.1%	32.3%
ASEAN	37.72	100%	7.3%	ASEAN	21.14	100%	6.6%
Global	499.77		6.8%	Global	485.95		7.1%



3. Vietnam's Fastener Imports and Exports with the World

a. Vietnam's Fastener Trade in the Global Fastener Market

Table 2 shows the proportions and CAGR of major fastener import origins and export destinations of Vietnam in 2024. The total fastener import value in Vietnam in 2024 was US\$755 million, among which the proportion of top 10 import origins reached 95.9%, showing that the import origins were highly concentrated. China was the largest supplier, accounting for 52.5%, with a 5-year CAGR of 9%, reflecting that Vietnam imported fasteners from China, while Japan, Korea, and Taiwan were also major sources; however, Japan, Taiwan, and Thailand showed negative growth, indicating that **Vietnam was adjusting its supply chain structure, and strengthening the import volumes from Korea and China**. In terms of export, the value in 2024 was US\$583 million, with the top 10 export destinations accounting for 79.9% of the total. The U.S. and Germany were the top two export destinations, accounting for 20.2% and 17.8% of the total export, respectively, and their 5-year CAGRs were both over 10%, while markets such as India (59.7% CAGR) and Poland (23.5% CAGR) were also showing high growth rates, indicating that **Vietnam's export destinations were being gradually diversified**.

Table 2. The Proportions and CAGR of Major Fastener Import Origins and Export Destinations of Vietnam in 2024

Unit: US\$0.1 bn;%

Import Origin	2024	Share in ASEAN's Imports	5-Year CAGR	Export Destination	2024	Share in ASEAN's Exports	5-Year CAGR
China	3.96	52.5%	9.0%	USA	1.18	20.2%	11.5%
Japan	1.09	14.4%	-2.4%	Germany	1.04	17.8%	11.8%
Korea	0.99	13.1%	6.6%	Japan	0.80	13.7%	6.8%
Taiwan	0.45	6.0%	-3.0%	Netherlands	0.45	7.6%	-4.7%
USA	0.26	3.4%	9.8%	Poland	0.43	7.4%	23.5%
Thailand	0.20	2.6%	-3.0%	Canada	0.21	3.6%	-4.1%
Germany	0.14	1.8%	9.6%	Italy	0.15	2.6%	1.9%
Italy	0.07	0.9%	-4.7%	Belgium	0.15	2.5%	5.6%
UK	0.05	0.6%	1.8%	Thailand	0.14	2.5%	-1.7%
India	0.04	0.6%	17.1%	India	0.11	2.0%	59.7%
Top 10 Import Origins- Subtotal	7.24	95.9%	5.1%	Top 10 Export Destinations- Subtotal	4.66	79.9%	7.8%
Other Import Origins- Subtotal	0.31	4.1%	0.4%	Other Export Destinations- Subtotal	1.17	20.1%	-21.9%
Total	7.55	100%	4.9%	Total	5.83	100%	6.5%

b. Trend Analysis of Vietnam's Global Fastener Imports from 2020 to 2024

Table 3 shows the trend of Vietnam's fastener imports from 2020 to 2024; Vietnam's global fastener import in 2024 was about US\$755 million, with a 5-year CAGR of 4.9%; **the import value of "Other Iron and Steel Screws and Bolts" was the highest (US\$392 million, with an import share of 51.9%), and the 2nd highest was "Iron and Steel Nuts" (US\$128 million, with an import share of 16.9%). Both products together accounted for nearly 70% of the total import**, and their 5-year CAGRs were both more than 10%. The CAGR of "Iron and Steel Self-tapping Screws" reached 65.8%, showing a small amount but a rapid growth, which is worthy of subsequent attention.

Table 3. The Trend of Vietnam's Global Fastener Imports from 2020 to 2024

Unit: US\$0.1 bn;%

Product	HS Code	2020	2021	2022	2023	2024	Share	CAGR
Other Iron and Steel Screws and Bolts	731815	2.12	2.73	2.77	2.56	3.92	51.9%	16.6%
Iron and Steel Nuts	731816	0.81	0.94	0.98	0.88	1.28	16.9%	12.0%
Iron and Steel Self-Tapping Screws	731814	0.07	0.09	0.11	0.13	0.52	6.9%	65.8%
Other Iron and Steel Threaded Articles	731819	0.53	0.51	0.53	0.49	0.46	6.1%	-3.6%
Other Iron and Steel Washers	731822	1.10	1.18	1.16	1.09	0.39	5.2%	-22.9%
Other Iron and Steel Non-threaded Articles	731829	0.66	0.98	0.70	0.70	0.36	4.8%	-13.9%
Iron and Steel Pins and Cotter Pins	731824	0.63	0.77	0.74	0.77	0.27	3.6%	-19.1%
Iron and Steel Rivets	731823	0.13	0.17	0.15	0.16	0.24	3.1%	16.2%
Iron and Steel Spring Washers and Lock Washers	731821	0.05	0.06	0.06	0.04	0.07	1.0%	11.7%
Other Iron and Steel Wood Screws	731812	0.08	0.09	0.08	0.08	0.02	0.3%	-28.4%
Iron and Steel Screw Hooks and Screw Rings	731813	0.01	0.01	0.01	0.01	0.01	0.2%	-2.5%
Iron and Steel Automotive Screws	731811	0.02	0.02	0.02	0.02	0.00	0.1%	-30.9%
Total		6.23	7.56	7.31	6.92	7.55	100%	4.9%



c. Analysis of Vietnam's Global Fastener Exports from 2020 to 2024

Table 4 shows the trend of Vietnam's global fastener exports from 2020 to 2024; Vietnam's global fastener export in 2024 was around US\$583 million, with a CAGR of 6.5%, showing a steady growth; among them, **“Other Iron and Steel Screws and Bolts” were the most important exported products, which calculated with “Iron and Steel Self-tapping Screws” in the 2nd place accounted for 67% of the total**; however, the CAGR of the most important “Other Iron and Steel Screws and Bolts” showed a decline, indicating that although the demand for standard parts was stable, it was affected by price competition and product substitution. The “Iron and Steel Self-tapping Screws and Bolts” in the 2nd place had a CAGR of 39.4%. In addition, although the export value of “Iron and Steel Automotive Screws” was low, the CAGR was as high as 281.1%, indicating that **automotive fasteners will have potential in Vietnam's export**.

Table 4. Analysis of Vietnam's Global Fastener Exports from 2020 to 2024

Unit: US\$0.1 bn;%

Product	HS Code	2020	2021	2022	2023	2024	Share	CAGR
Other Iron and Steel Screws and Bolts	731815	2.75	3.25	4.34	3.30	2.45	42.0%	-2.9%
Iron and Steel Self-tapping Screws	731814	0.39	0.39	0.53	0.38	1.46	25.0%	39.4%
Other Iron and Steel Wood Screws	731812	0.40	0.46	0.49	0.26	0.98	16.8%	25.1%
Other Iron and Steel Threaded Articles	731819	0.15	0.29	0.36	0.29	0.28	4.9%	18.3%
Other Iron and Steel Washers	731822	0.17	0.23	0.29	0.27	0.19	3.2%	3.0%
Iron and Steel Nuts	731816	0.16	0.21	0.25	0.23	0.19	3.2%	3.2%
Other Iron and Steel Non-threaded Articles	731829	0.27	0.25	0.24	0.21	0.15	2.6%	-13.4%
Iron and Steel Pins and Cotter Pins	731824	0.23	0.28	0.29	0.28	0.07	1.3%	-24.4%
Iron and Steel Spring Washers and Lock Washers	731821	0.01	0.01	0.01	0.01	0.03	0.5%	33.1%
Iron and Steel Rivets	731823	0.01	0.01	0.02	0.02	0.02	0.3%	10.4%
Iron and Steel Automotive Screws	731811	0.00	0.00	0.00	0.00	0.01	0.2%	281.1%
Iron and Steel Screw Hooks and Screw Rings	731813	0.00	0.00	0.00	0.00	0.01	0.1%	105.9%
Total		4.53	5.38	6.81	5.26	5.83	100%	6.5%

4. Analysis of the Difference in Tax Rates for Vietnamese Fasteners Exported to the U.S. and the Impact of Vietnam's Tax Reduction Measures

On Feb/10/2025, Trump announced that he would impose a 25% tariff on all steel imports, and Vietnam was not excluded and became the first among the affected countries. Subsequently, Trump announced a 10% base tariff on all imports from Apr. 5, and a reciprocal tariff based on the trade surplus with the U.S. from Apr. 9, in which Vietnam was recognized as a high-risk country and its tariff rate was set at 46%. However, the reciprocal tariff has entered a 90-day moratorium since mid-May and was postponed to July 9th. However, the U.S. government subsequently made an unpredictable announcement on June 4, stating that the 50% tariff applies to steel or aluminum content, and that other tariffs (e.g., a 10% base tariff) must still be applied if the product contains non-steel or non-aluminum materials. According to the agreement reached between the U.S. and Vietnam on July 2, all Vietnamese exports to the U.S. will be subject to a 20% tariff, while transshipments will face a 40% tariff. However, the 20% uniform rate announced on July 2 does not apply to fasteners (HS Code 7318) subject to the 50% duty for steel imports under the U.S. Section 232 Act.

Table 5 analyzes the influence of tax rates for various fasteners exported from Vietnam to the U.S. in 2024; **Vietnam's total fastener exports to the U.S. in 2024 amounted to US\$118 million. “Other Iron and Steel Screws and Bolts” were the main products, with the export value of US\$85.586 million (72.6% of the total export), followed by “Other Iron and Steel Fasteners” (10.3% of the total export) and “Iron and Steel Nuts” (6.3% of the Exports). These top 3 products accounted for nearly 90% of the total, indicating that Vietnam's fastener exports to the U.S. were highly concentrated.**

In terms of tariff impact, the original Vietnam's annual tariff on fasteners exported to the U.S. was about USD 4.915 million before the base tariff was added; with the original tariff plus the 10% base tariff released on April 5, Vietnam's annual tariff on exports is about USD 16.701 million, while the new tariffs of 20% and 40% on transshipment goods released on July 2 do not affect the 50% tariff on steel and aluminum derivatives released on June 4, plus the 20% uniform rate on the value of non-steel components (e.g. washers, non-slip rubber rings, surface coatings, etc.), and if the material accounts for 60% of the value, the overall tariff will be about 38% (refer to the note in **Table 5**), and the annual cost of tariffs will grow to US\$ 44.789 million, and the largest steel screws and bolts have a tax burden of about US\$ 32.528 million, which is a lot of pressure on the fastener industry in Vietnam. For some products (e.g. self-tapping screws) originally enjoying MFN tax rate ranging from 6 to 8%, an increase of 38% will lead to significant compression of export margins or even turn into a loss; and the original tariff-free fasteners (e.g. steel nuts, steel washers, steel rivets, etc.) will lose their advantages due to high tariffs. If Vietnam does not have tariff concessions or any plan for alternative markets, Vietnam fasteners will face the loss of export orders, production lines relocation, and price adjustments and other pressures, giving Taiwan and other alternative suppliers the opportunity to obtain the redirected orders in the short term.

Table 5. The Influence of Tax Rates for Various Fasteners Exported from Vietnam to the U.S. in 2024

Unit: US\$0.01 million;%

Product	HS Code	Vietnam's Fastener Export Value in 2024	Original Tax Rate Range	Apr/5: Original Rate + 10% Base Rate	Annual Tax Cost from the Original Rate+10% Base Rate	Jun/4: Steel Value x 50% + Non-steel Value x 20% (Under Section 232)	Annual Tax Cost from the Steel Value x 50% + Non-steel Value x 20%
Other Iron and Steel Screws and Bolts	731815	8558.6	0~8.5%	14.3%	1219.6	38%	3252.3
Other Iron and Steel Threaded Articles	731819	1210.6	5.7%	15.7%	190.1	38%	460.0
Iron and Steel Nuts	731816	745.8	0.0%	10.0%	74.6	38%	283.4
Iron and Steel Self-Tapping Screws	731814	636.4	6.2~8.6%	17.4%	110.7	38%	241.8
Other Iron and Steel Washers	731822	280.8	0.0%	10%	28.1	38%	106.7
Other Iron and Steel Non-threaded Article	731829	204.6	2.80%	12.8%	26.2	38%	77.8
Iron and Steel Pins and Cotter Pins	731824	138.4	3.80%	13.8%	19.1	38%	52.6
Iron and Steel Rivets	731823	6.2	0.0%	10%	0.6	38%	2.4
Other Iron and Steel Wood Screws	731812	4.6	12.5%	22.5%	1.0	38%	1.8
Iron and Steel Spring Washers and Lock Washers	731821	0.4	5.8%	15.8%	0.1	38%	0.2
Iron and Steel Automotive Screws	731811	0.2	12.5%	22.5%	0.0	38%	0.1
Iron and Steel Screw Hooks and Screw Rings	731813	0.0	5.7%	15.7%	0.0	38%	0.0
Total		11786.6			1670.1		4478.9

Note: 60% of steel fastener value x 50% under U.S. Section 232 Act + 40% of non-steel fastener value x 20% general tariff= 38%.

If Vietnam is unable to eliminate the U.S. concerns about transshipment from China, it is expected that Vietnam will avoid taxes by shipping goods in advance, adjust export destinations to low tariff markets such as the EU and India, and assess the possibility of production layout and transshipment operations through third places such as Thailand and Malaysia. As a result, Vietnamese fasteners exported to the U.S. may be subject to delayed shipment, order transfer or price adjustment in the short term. If Vietnamese fasteners can comply with the U.S. place of origin regulations in the future, there is also a chance to avoid the high tariff of 40% on goods transshipped to the U.S., and can continue to receive transferred orders and enjoy tariff preferences from various trade agreements, and can maintain its role as a key supplier in the medium and long term.

5. Impact of Fastener Market Reshuffling Effect on Taiwan Fastener Industry

- Global fastener market reshuffle due to new U.S. tariffs:** In July 2025, the new U.S. tariff on Vietnam has been finalized, but it will only apply to the non-steel portion of fasteners, while the steel portion of fasteners will still be subject to a 50% tariff. The biggest impact of the new tariff is the 40% heavy duty on transshipped fasteners, which will block the opportunity for China to transship through Vietnam, and in the short term, it will impact the supply advantage of Vietnamese fasteners as a substitute for Chinese and Taiwanese fasteners, Taiwan may become a potential target for order transfer.
- Short-term positive benefits for Taiwan:** in the short term, U.S. importers are expected to transfer their orders made to China or Vietnam to other low-risk countries, such as Taiwan, Thailand, Mexico with production capacity and compliance capabilities; and Taiwanese manufacturers, having quality advantages and certification conditions in the automotive, aerospace, precision fasteners are expected to become the 1st choice of the U.S. Although Taiwan is also affected by tariffs, it has the irreplaceable capacity and quality, so there should be short-term replenishments.
- Reassessment of overseas factory locations:** If Vietnamese fasteners fail to meet the U.S. requirement for the place of origin, Vietnam is likely to lose its tariff advantages in CPTPP and RCEP. Taiwanese companies should assess the future of their overseas production lines and perhaps shift them to emerging countries like Thailand, Indonesia, and Mexico, in order to avoid the geopolitical risks of U.S.-China trade war and tariff uncertainties, and strengthen the supply chain resilience.
- Accelerating Deployment in Multiple Markets and Process Upgrade:** Taiwanese fastener suppliers can continue to strengthen their certification (e.g., process compliance with environmental protection and labor safety regulations, ASTM and SAE technical specifications, no Chinese material sources, etc.) by large global fastener distributors or brands, as well as IATF16949 and other int'l certifications required for OEMs of the supply chain in the automotive industry, so as to enhance the added value of fasteners and expand the market, especially non-U.S. markets such as fast-growing India (demanding automotive and railroad fasteners) and other alternative countries, in order to reduce the long-term dependence on the US market. ■

