



# Keeping an Eye on Market Trends and Developing Niche Markets

## 緊盯市場趨勢脈動，重點開發利基市場

As the season enters the second half of 2022, the global fastener industry is still struggling to find the best solution to the challenges ahead, while actively creating opportunities for themselves in the face of the epidemic, cost and price pressures, product/technology competition, new market trends and many other challenges, in anticipation of finding the best approach to win in the ever-changing fastener market.

### Demand in Europe and the U.S. Continues to Grow; Taiwan Fastener Manufacturers Can Strengthen Their Entry into Key Industry Sectors

With high demand and good prices, Taiwanese fastener manufacturers have always earned their biggest profit from European and U.S. fastener markets for years, and with excellent technology and competitive quality they've also maintained a high market share. According to the data released by U.S. Customs, the U.S. imported more than US\$1.4 billion worth of fasteners from Taiwan in the first five months of 2022, with a cumulative growth of 26% from January to May. The U.S. had about 40%

of its fasteners imported from Taiwan, far exceeding the value of imports from China during the same period (only less than US\$800 million and representing a market share of about 20% in the U.S.). In addition, EU data also show that Taiwan is among the major fastener import partners of EU countries, such as Germany, France, the Netherlands, Italy, Poland, as well as the UK (which is no longer a member country of the EU), showing that the demand for and the dependence upon Taiwan fasteners in European and U.S. markets remain high.

However, U.S. fastener imports from Japan, Germany, Canada and S. Korea have also increased in the same period, which may be translated into a fact that **the increase of U.S. demand for high-end fasteners for automobiles, aerospace and electronics, in addition to low-to-medium end fasteners, has also increased. Taiwanese manufacturers may consider actively working in these directions in terms of product upgrade. It is understood that construction/DIY, automotive, furniture, and aerospace fasteners are all popular items exported to the U.S. market, and the U.S. market has a demand scale of about US\$2 billion a year for construction fasteners alone. As a result, Taiwanese fastener manufacturers owning many innovative designs and technical applications in these fields should seize the great opportunity to gain further exposure.** At International Fastener Expo (IFE) this year, dozens of Taiwanese manufacturers (such as Fong Yien Industrial Co., Ltd., J.C. Grand Corporation, Fratam Fastech Co., Ltd., Soon Port International Co., Ltd., Mac Precision Hardware Co., etc.) will also showcase their innovative made-in-Taiwan products to demonstrate their strengths.

### Capturing Customers' Preferences and Enhancing Competitiveness of Products and Services

With the advancement of industrial technology and customers' increasing emphasis on environmental protection, fastener design and processing must keep pace with the upcoming trend. In recent years, we've seen that many manufacturers have started to strengthen their product design capabilities, upgrade their production lines and equipment, eliminate more energy-consuming equipment, and actively invest in the development of new materials/processes/products/equipment/services in response to future market trends, thus getting out of price-cutting competition and creating more efficient and profitable performance. The ideas of ESG, energy saving, net zero carbon emission, lean manufacturing, industry 4.0, digital management, and AI-enabled technology are all very important steps for the fastener industry to move to the next-generation industrial development and enhance its competitiveness on the global stage. Some companies have been also featured in this issue as good examples of how to grasp opportunities to take the lead in the market trends. These companies are: Bi-Mirth (adopting new eco-friendly electroplating solutions and coatings), Abis Innovative Technology (developing new acid free pickling to replace acid pickling), Japanese Art Screw (developing "Motiontite" bolts), and Hwa Hsing Screw Industry (introducing Industry 4.0 production lines and electrostatic smoke-discharging systems).

### Don't Put All Eggs in One Basket; Emerging Markets are Full of Opportunities

With the trend of accelerating infrastructure development in emerging countries /regions such as Southeast Asia, the Middle East & North Africa, Turkey, Central & South America to attract more foreign investments as well as the trend of strengthening domestic product upgrade and competitiveness in the market, there has been a significant sign of growing fastener demand in these emerging markets/regions in recent years. For Taiwanese suppliers always focusing on the European and U.S. markets, **making efforts to develop emerging markets can also help them avoid the risk of sudden and drastic market changes in the future that may slash their product competitiveness overnight (for example, EU's anti-dumping measures on Chinese fasteners).**

Relevant data show that Thailand, Vietnam, Malaysia, and Indonesia are main fastener demanding countries in Southeast Asia these years. Although Taiwan also ranks among the top three import trading partners of Thailand, it is out of the top 10 of Malaysia. On the contrary, the deployment of China and Japan in the Southeast Asian fastener market continues to grow, so Taiwanese manufacturers still need to do more to catch up with their



pace. Of course, in the ASEAN market there are a few benchmark Taiwanese fastener manufacturers (such as Tycoons, Tong Heer, Chin Well, Homn Reen, Rodex, San Shing, etc.). The first three companies reported over NT\$3 billion revenue in 2022 respectively, but they all reported a significant 2-digit decline in revenue compared to the previous year. Is this due to a change in local customers' demand or the better competitiveness of other competitors' products and services? This is perhaps a good question for Taiwanese companies to think about.

For promotion and development in emerging markets, Fastener World Inc. will continue to try our best for manufacturers. In H2 2022, we'll also exhibit at exhibitions in several key emerging markets (incl. Vietnam, Indonesia, Saudi Arabia, and Egypt) to help manufacturers promote and gain exposure. Through close contact with local buyers, we hope to build a solid bridge for interaction and communication between buyers and sellers.

### The Imbalance Between Supply and Demand is Short-Term and May Return to Normal by the Year End

Regarding the issue of significant fluctuations in current market demand and supply, a Taiwanese supplier recently told Fastener World that the order volume Taiwanese suppliers have received over the past 12 months is actually much higher than their total capacity, often resulting in an average lead time of 4-6 months (which was only 2-3 months before). However, his buyers complained to him that they did not have double capital to purchase more and were forced to turn to suppliers in China, Southeast Asia or their parent countries. **If we look at the past trend of industrial demand, it is inevitable that there'll be fluctuations. The current drop in orders may not be a bad thing, as it can sometimes be caused by seasonal adjustments in foreign economies or by customers' intention to consume existing inventory first. Under the overall market supply and demand cycle, it is expected that the imbalance between supply and demand in the industry will gradually return to normal by the end of this year.**

# Comparison of China's and Taiwan's Fastener Trade

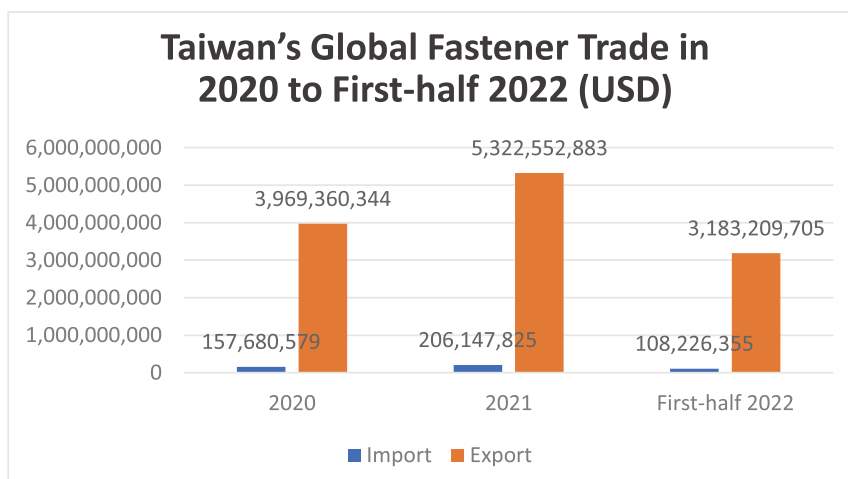
China's Fastener Trade in First-half 2022 (USD)					Taiwan's Fastener Trade in First-half 2022 (USD)			
Ranking	Import Source	First Half of 2022	Export Destinations	First Half of 2022	Import Source	First Half of 2022	Export Destinations	First Half of 2022
0	World	1,475,295,976	World	5,148,551,761	World	108,226,355	World	3,183,209,705
1	Japan	439,819,788	U.S.A	858,125,493	Japan	36,177,839	U.S.A	1,427,203,915
2	Germany	271,571,176	Germany	308,014,680	U.S.A	21,424,773	Germany	260,847,004
3	U.S.A	200,127,590	Vietnam	223,559,285	China	12,563,243	Netherlands	169,348,088
4	Taiwan	147,377,359	S. Korea	221,971,974	Germany	7,266,443	Japan	149,510,874
5	Italy	69,391,472	Russia	220,191,744	S. Korea	5,541,891	UK	109,955,298
6	S. Korea	61,354,528	Japan	201,985,763	Vietnam	3,009,690	Canada	107,050,441
7	France	32,780,607	India	172,586,224	Netherlands	2,694,695	China	88,074,895
8	UK	24,980,984	UK	154,190,272	Philippines	2,570,308	Italy	71,511,493
9	Turkey	18,765,358	Italy	146,440,438	Switzerland	2,110,473	Sweden	71,109,514
10	Switzerland	15,773,304	Australia	145,622,009	Sweden	1,740,430	Mexico	70,972,853

China's Fastener Trade in 2021 (USD)					Taiwan's Fastener Trade in 2021 (USD)			
Ranking	Import Source	2021	Export Destinations	2021	Import Source	2021	Export Destinations	2021
0	World	3,280,746,110	World	9,303,405,675	World	206,147,825	World	5,322,552,883
1	Japan	983,969,032	U.S.A	1,263,573,726	Japan	78,090,806	U.S.A	2,249,900,692
2	Germany	630,243,449	Russia	544,573,376	U.S.A	35,474,785	Germany	454,994,012
3	U.S.A	398,160,844	Germany	533,707,080	China	21,189,220	Netherlands	291,941,389
4	Taiwan	324,224,022	Vietnam	457,539,548	Germany	14,582,412	Japan	246,072,681
5	Italy	172,577,180	S. Korea	405,583,971	S. Korea	9,414,381	UK	209,199,205
6	S. Korea	132,572,356	Japan	346,444,260	Philippines	5,401,730	China	191,243,730
7	France	73,700,211	India	298,269,602	Vietnam	5,375,493	Canada	177,039,530
8	UK	53,832,105	Italy	277,500,682	Netherlands	5,205,645	Sweden	121,737,174
9	Turkey	40,893,282	Australia	266,465,334	Switzerland	2,937,108	Mexico	119,553,758
10	Switzerland	33,779,764	UK	260,145,375	Sweden	2,678,180	Italy	103,873,841

In the first half of 2022, China exported USD 5.14 billion worth of fasteners to the world, which is 1.6 times more than Taiwan's global export value of USD 3.18 billion in the same period. In the value of fastener import from the world, China was USD 1.47 billion and Taiwan was USD 108 million. Taiwan demanded far less fastener import from the world than China did. China's top 3 export destinations were the U.S. (USD 850 million), Germany (USD 308 million) and Vietnam (USD 223 million). Taiwan's top 3 export destinations were the U.S. (USD 1.42 billion), Germany (USD 260 million) and the Netherlands (USD 169 million), and Taiwan exported USD 88.07 million worth of fasteners to China. It shows that the U.S. and Germany were the top 2 fastener export destinations for both China and Taiwan in the first half of 2022. In terms of import, the top 3 sources for China were Japan (USD 430 million), Germany (USD 270 million), and the U.S. (USD 200 million). Additionally, China imported USD 140 million worth of fasteners from Taiwan in the same period. Taiwan mainly imported from Japan (USD 36.17 million) and the U.S. (USD 21.42 million), and it also imported USD 12.56 million worth of fasteners from China. **Japan was the largest fastener import source for both China and Taiwan. Germany and the U.S. were respectively the second largest source for China and Taiwan.**

China's Fastener Trade in 2020 (USD)					Taiwan's Fastener Trade in 2020 (USD)			
Ranking	Import Source	2020	Export Destinations	2020	Import Source	2020	Export Destinations	2020
0	World	2,786,542,569	World	6,959,807,809	World	157,680,579	World	3,969,360,344
1	Japan	852,790,240	U.S.A	827,330,702	Japan	61,494,765	U.S.A	1,689,801,153
2	Germany	561,700,799	Vietnam	484,775,853	U.S.A	27,844,570	Germany	340,191,792
3	U.S.A	315,945,338	Russia	404,230,744	China	15,143,539	Japan	209,498,781
4	Taiwan	234,702,416	Germany	309,148,054	Germany	10,329,451	Netherlands	195,105,056
5	Italy	141,111,449	Japan	270,056,188	S. Korea	5,660,405	UK	136,840,671
6	S. Korea	130,805,250	S. Korea	249,571,286	Netherlands	4,058,735	China	129,131,272
7	France	62,370,515	UAE	213,085,446	Vietnam	3,719,309	Canada	128,760,834
8	UK	46,517,579	India	203,159,577	Switzerland	2,182,902	Sweden	85,303,928
9	Malaysia	28,608,755	Myanmar	199,601,983	Sweden	2,033,164	Mexico	77,878,026
10	Switzerland	28,247,190	Thailand	196,292,352	UK	2,017,286	Italy	70,888,895

In 2021, China exported USD 9.3 billion worth of fasteners to the world, which is 1.7 times more than Taiwan's export value of USD 5.32 billion in the same period and it resembles the aforementioned difference of scale in first-half 2022. In the value of fastener import from the world, China was USD 3.28 billion and Taiwan was USD 206 million. China's top 3 export destinations were the U.S. (USD 1.26 billion), Russia (USD 544 million) and Germany (USD 533 million). Taiwan's top 3 export destinations were the U.S. (USD 2.24 billion), Germany (USD 454 million) and the Netherlands (USD 291 million), and Taiwan exported USD 191 million worth of fasteners to China. **The U.S. was the largest export destination for both China and Taiwan. As for the second largest export destination, it was Russia for China and Germany for Taiwan.** In terms of import, the top 3 import sources for China were Japan (USD 983 million), Germany (USD 630 million), and the U.S. (USD 398 million). Additionally, China imported USD 324 million worth of fasteners from Taiwan in the same period. Taiwan mainly imported from Japan (USD 78.09 million) and the U.S. (USD 35.47 million), and it also imported USD 21.18 million worth of fasteners from China. **Japan was the largest fastener import source for both China and Taiwan. Germany and the U.S. were respectively the second largest sources for China and Taiwan.**



In 2020, China exported USD 6.95 billion worth of fasteners to the world, which is again 1.7 times more than Taiwan's export value of USD 3.96 billion in the same period. In the value of fastener import from the world, China was USD 2.78 billion and Taiwan was USD 157 million. China's top 3 export destinations were the U.S. (USD 827 million), Vietnam (USD 484 million) and Russia (USD 404 million). Taiwan's top 3 export destinations were the U.S. (USD 1.68 billion), Germany (USD 340 million) and Japan (USD 209 million), and Taiwan exported USD 129 million worth of fasteners to China. **The U.S. was the largest export destination for both China and Taiwan in 2020. As for the second largest export destination, it was Vietnam for China and Germany for Taiwan.** In terms of import, the top 3 import sources for China were Japan (USD 852 million), the U.S. (USD 561 million), and China (USD 315 million). Additionally, China imported USD 234 million worth of fasteners from Taiwan in the same period. Taiwan mainly imported fasteners from Japan (USD 61.49 million), the U.S. (USD 27.84 million) and China (USD 15.14 million). **Japan was the largest fastener import source for both China and Taiwan. Germany and the U.S. were respectively the second largest sources for China and Taiwan.**

China's global fastener export grew 33.8% from USD 6.95 billion in 2020 to USD 9.3 billion in 2021, and reached USD 5.14 billion in the first half of 2022, having a potential to grow 7.5% to USD 10 billion for the 12 months of 2022. Despite the virus and city lockdown in the last two years, China's scale continued to grow, but a big concern is that the growth margin of this year is likely to decrease over 20%.

Taiwan's global fastener export grew 55.1% from USD 6.95 billion in 2020 to USD 9.3 billion in 2021, and reached USD 5.14 billion in the first half of 2022, having a potential to grow 12.7% to USD 10 billion for the 12 months of 2022. Taiwan gained a large number of orders from overseas last year and expects to grow one fold more than China, but this is far less than the drastic growth last year. For Taiwan, the concern is that the U.S and European clients have yet to clear up their inventory; therefore, they have less purchasing demand for Taiwan.

Caught between the domestic impact (lockdown) and foreign impact (AD tax imposed by EU and 25% tax by the U.S.), China was still able to perform well in fastener export, because the Chinese government provided subsidies and the Chinese steelmakers offered highly competitive wire prices. Furthermore, China increased fastener export to places other than the U.S. and Europe. This indicates China's impact mitigation strategy to quickly scatter export and not concentrate on a single market in the face of overseas barriers. In contrast, exporting nearly 90% of fasteners to the U.S. and Europe, Taiwan can reference China's experience and explore overseas regions other than the U.S. and Europe to be able to cope with future drastic changes. The emerging countries will become a niche market for both China and Taiwan in need of increasing export destinations. ▣



**HEY YO TECHNOLOGY CO., LTD.**  
恆勇科技有限公司

  
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DOWEL PIN	ISO 2338	ISO 8734	DIN 6325
Material	SUJ2 / SUS303 / SUS304 / SUS420		
Range of External Diameter Processing	0.6-4mm		
Range of Length Processing	2-45mm		
Precision of External Diameter Grinding	0.003mm		
Superficial Roughness	Below Ra0.1		
Competitive Advantages	Less consumption, higher speed, better stability, and more competitive prices		
Monthly Capacity	More than 5 million pcs		

  
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