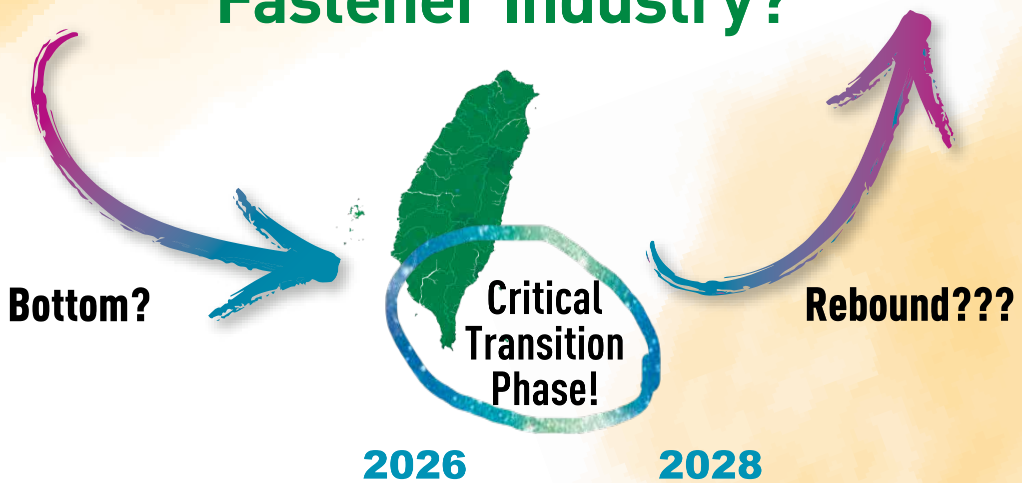
Rebound Against Headwinds:

A New Dawn for Taiwan's Fastener Industry?



Taiwan's fastener industry demonstrated resilience and transformation momentum in 2025. According to export statistics from Taiwan Customs Administration, Ministry of Finance, the total export value from January to August 2025 exceeded NT$90.1 billion (customs import/export data was available only up to August 2025 at the time of writing). The top ten countries importing Taiwanese steel fasteners in the January-August 2025 period were the United States, Germany, the Netherlands, Japan, Canada, the United Kingdom, Mexico, China, Sweden, and Poland. The United States remains Taiwan's largest export market, accounting for 45% of its total export weight. The European region (including EU member states and the UK) accounted for about 30%. Political, economic, and trade changes in these two regions continue to shape the future of Taiwan's fastener industry. The total export value and weight for January to August 2025 are summarized in ***Table 1***.

Table 1: Taiwan Steel Fasteners (HS Code 7318) Export Value and Weight Analysis, January–August 2025

Rank	Country	USD (Thousands)	Weight (Metric Tons)	Export Weight Share (%)
1	USA	1,253,347	371,760	45.0%
2	Germany	242,112	76,309	9.2%
3	Netherlands	156,103	46,356	5.6%
4	Japan	135,523	36,174	4.4%
5	Canada	118,889	33,878	4.1%
6	U. K.	91,156	22,409	2.7%
7	Mexico	88,420	20,688	2.5%
8.	China	81,170	14,029	1.7%
9	Sweden	55,062	14,342	1.7%
10	Poland	53,447	20,061	2.4%

The U.S. market's 45% share surpasses the combined share of the others in the top ten exporting countries, highlighting the U.S. as the primary sales region for Taiwan's fasteners. However, in June 2025, the U.S. raised steel and aluminum Section 232 tariffs to 50%, and the New Taiwan Dollar appreciated from 32 to 29 NT$ against US dollar from early May 2025 onward. These developments severely hurt Taiwan's fastener export exchange rate gains, narrowing profit margins and pushing manufacturers to bear dual pressures from exchange losses and rising costs. Additionally, price competition from emerging markets such as China, Vietnam, India, and Turkey, along with dumping of cheap Chinese products, brought unprecedented challenges to Taiwan's fastener exports.

To address these challenges, according to Fastener World, the Kaohsiung City Government's Economic Development Bureau partnered with the Ministry of Economic Affairs (MOEA) and Taiwan Industrial Fasteners Institute. From September 16 to 17, 2025, they led Taiwanese fastener manufacturers to the largest fastener exhibition in North America, the "International Fastener Expo (IFE) 2025" in Las Vegas, USA. During the expo, Taiwan's fastener companies expanded their North American market exposure and TIFI signed a Memorandum of Understanding (MOU) with one of North America's largest fastener suppliers, Brighton-Best International (BBI) and strengthened collaboration with NFDA. This agreement further consolidated Taiwan's position in the U.S. market. Meanwhile, **when competing countries all face a 50% tariff, Taiwan's fastener industry, without any tariff treaty protection, benefits from the fairness of U.S. tariffs.**

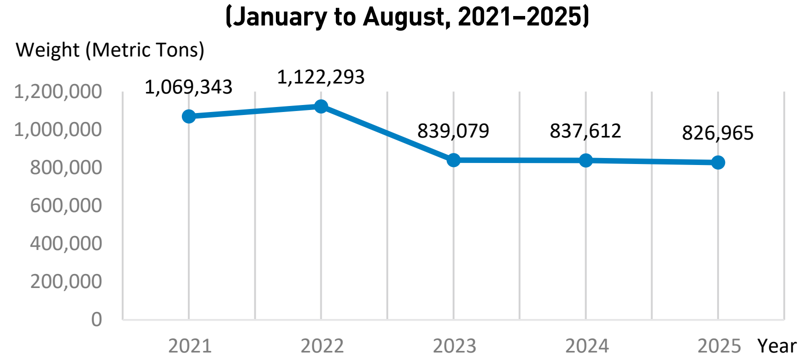
Next, the European market is Taiwan's second largest export destination after the U.S. In recent years, the Russia-Ukraine war caused a sharp rise in European energy costs, hampering economic growth. However, with active mediation efforts by U.S. President Trump, there may be an early end to the war. Upon the war's resolution, Taiwanese fastener manufacturers aim to capture post-war revival opportunities by participating in the "Fastener Poland" show on October 5, 2025, seeking to stabilize existing European channels while exploring new business.

According to Taiwan Customs' export data, the annual export weights of Taiwan's HS code 7318 (steel fasteners) from January to August during 2021 to 2025 were 1,069,343 metric tons, 1,122,293 metric tons, 839,079 metric tons, 837,612 metric tons, and 826,965 metric tons, respectively. These data are organized in ***Table 2*** and ***Figure 1***.

Table 2: January to August Export Weight of Taiwan Steel Fasteners from 2021 to 2025

Year	2021	2022	2023	2024	2025
Weight (Metric Tons)	1,069,343	1,122,293	839,079	837,612	826,965

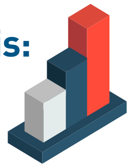
Fig. 1. Taiwan Steel Fastener Export Weights (January to August, 2021–2025)



The trend in ***Figure 1*** shows that steel fastener exports peaked in 2022 and then declined for three consecutive years. However, the drop has slowed in the past two years, with only slight decreases from 2023 to 2025. This indicates that market demand is no longer shrinking sharply, suggesting the industry may have bottomed out and is gearing up for the next recovery wave.

Taiwan's fastener industry has been long renowned for high quality, high manufacturing flexibility, and a global footprint, especially in southern Taiwan as a key metal fastener supply base for the world. However, recent challenges such as export decline, international tariffs, carbon emission regulations, and low-price competition have cast uncertainty. Whether the industry can seize new opportunities in 2026 has become a focus. This article explores five major aspects and proposes concrete observations and strategic recommendations.

Export Trend Analysis: Peak → Crash →Consolidation



Taiwan's steel fastener exports reached historic peaks in 2021 and 2022, with annual export values surpassing USD 6 billion, reflecting strong post-pandemic global infrastructure and manufacturing recovery. However, starting in 2023, exports dropped sharply with an initial annual decline of 25.3%. The decrease narrowed to 1.3% and 1.27% in 2024 and 2025 respectively, indicating exports have entered a consolidation phase.

Will this trend form a typical "V-shaped correction," with a sharp fall followed by a swift rebound after a short trough? Past analyses by Fastener World show Taiwan's export momentum closely relates to exchange rates and major events, especially "black swan" shocks—such as financial crises, pandemics, and the US-China trade war—where the New Taiwan Dollar often appreciates, temporarily eroding export competitiveness.

Historical data also show export momentum often hits the bottom one year after such events but strongly rebounds the following year. For example, during the 2008 global financial crisis, Taiwan's steel fastener export weight before the crisis was 1,125,514 metric tons in 2008, plunged to 816,653 metric tons in 2009 (down 27.44%), then rebounded strongly to 1,206,370 metric tons in 2010, recovering to the pre-crisis level. By 2012, exports rose further to 1,278,585 metric tons, 13.6% above the 2008 level. **This "crisis ⇒ correction ⇒ rebound" pattern provides a reference for predicting a potential export recovery in 2026.**

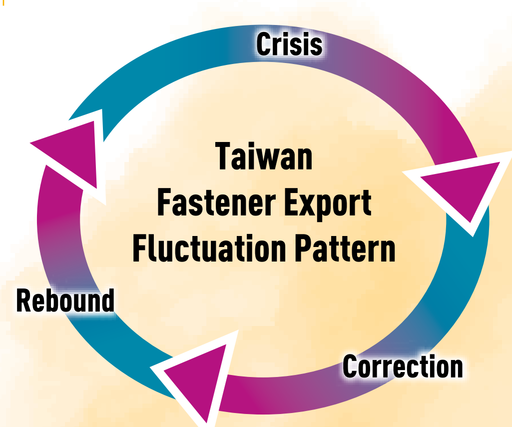


Fig. 2. Taiwan Steel Fastener Export Weights, 2008–2012

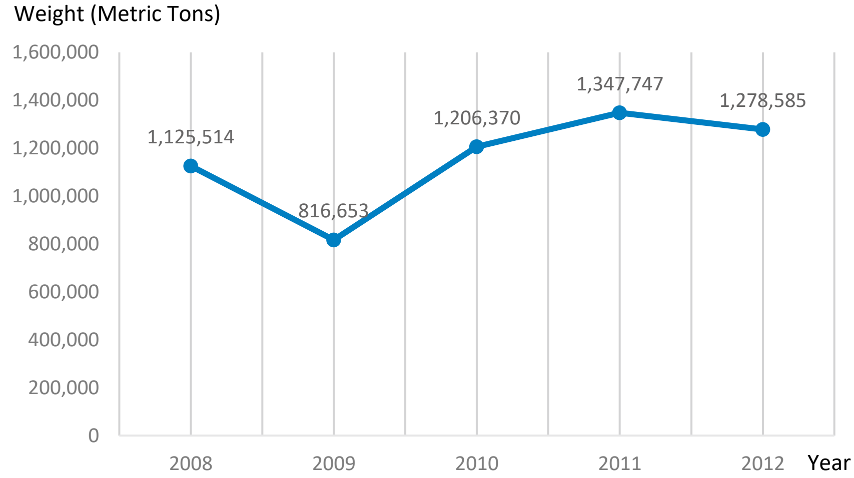


Table 3: Taiwan Steel Fastener Export Weights, January to August, 2008–2012

Year	2008	2009	2010	2011	2012
Weight (Metric Tons)	1,125,514	816,653	1,206,370	1,347,747	1,278,585

Environment and Market Structure Changes + Intensified US-China Trade War

In 2025, the U.S. government reinstated steel and aluminum tariffs of up to 50% on global fasteners. Taiwan's main competitors—China, India, and Vietnam—are included in this tariff, creating a fair competition opportunity for Taiwan.

On October 9, 2025, China's Ministry of Commerce announced export controls on rare earth related technologies and items. On October 10, U.S. President Trump publicly criticized Beijing's hostile trade actions and announced on his own social account that **"a 100% tariff will be imposed on Chinese goods."** If the renewed US-China trade war materializes, **Taiwan's fastener industry may gain orders partially redirected from China.**

Meanwhile, in Europe, the upcoming 2026 launch of the CBAM (Carbon Border Adjustment Mechanism) will increase demand for suppliers with carbon management capabilities. Since 2023, Taiwanese fastener manufacturers have actively adopted sustainability standards such as ISO 14064 and ISO 50001, and participated in government carbon auditing subsidy and consultancy programs, positioning themselves favorably for the European market.

The fast-growing manufacturing sectors in emerging markets like Southeast Asia and India drive rising demand for high-quality fasteners. Taiwanese fastener businesses should proactively explore emerging markets to diversify risk.

Signs of Bottoming Out and Opportunities for Recovery

Export data from January to August 2025 show that although the total volume is slightly lower than the previous year, the decline has nearly leveled off. The U.S. and European markets remain resilient, with the U.S. accounting for as much as 45% of exports and Europe plus the UK exceeding 30%, totaling more than 70%. **This indicates stable market demand and a gradual stabilization of Taiwan's geopolitical impact.**

Furthermore, the New Taiwan Dollar weakened sharply in early 2025, depreciating from 29.16 to 30.68 NTD against 1 USD. This currency depreciation supports export competitiveness. Historically, when the NT dollar depreciated, exported product prices effectively dropped, boosting order-taking and market expansion—commonly seen during post-crisis recoveries. Taiwan's fastener exports may have already bottomed out in 2025, with conditions favorable for gradual recovery starting from 2026.

Notably, at the International Fastener Expo (IFE) 2025 held in Las Vegas, Taiwan's fastener companies formed a "national fastener team," successfully breaking into North American channels and generating orders exceeding USD 7 million. U.S. distributors such as LSG (LindFast Solutions Group) and BBI (Brighton-Best International) acknowledged Taiwan's fasteners' advantages in high value-added and customized markets, incorporating them into their stable procurement systems. This laid a solid foundation for export growth in 2026.

Industry Structure and Competitiveness Challenges

Stricter environmental regulations and carbon emission requirements pose risks of losing competitiveness in international procurement if timely transformation is not achieved. Fastener companies can approach carbon reduction from these aspects:

1. **Raw materials:** Use low-carbon steel or recycled metals to lower raw material carbon footprints.
2. **Process optimization:** Introduce efficient equipment and energy-saving technologies in forging, heat treatment, and surface treatment to reduce energy consumption.

3. **Carbon audit systems:** Implement ISO 14064-1 organizational carbon audit mechanisms to increase transparency of carbon data and set concrete reduction targets.
4. **Supply chain cooperation:** Promote green procurement and low-carbon logistics to improve overall environmental performance.
5. **Employee education and sustainability commitment:** Strengthen corporate sustainability image and enhance international competitiveness.

These measures not only align with global carbon reduction trends but also create transformation opportunities for Taiwan's fastener industry.

Policy Recommendations and Corporate Strategies

To help Taiwan's fastener industry seize recovery opportunities, governments and companies should focus on:

1. **Promoting technology upgrades and product innovation:** Develop high-strength, corrosion-resistant, lightweight fasteners to meet advanced market needs in electric vehicles and green energy equipment. Integrate AI smart manufacturing and automation to boost production efficiency and quality consistency.
2. **Strengthening sustainable transition and carbon management:** Establish carbon audit systems, respond to CBAM and ESG procurement requirements, promote low-carbon processes, and manage energy to reduce carbon footprint and operating costs.
3. **Expanding emerging markets and application fields:** Deepen presence in Southeast Asia, India, the Middle East to diversify export risks. Enter emerging industries such as electric vehicles, wind power, and solar energy to broaden fastener applications.
4. **Building export warning and market intelligence mechanisms:** Monitor real-time changes in exchange rates, tariffs, and regulations to aid enterprises in adjusting strategies. Establish big data platforms for market trends, competitive analysis, and customer demand forecasting.

"Taiwan's steel fastener exports have experienced peaks, sharp declines, and consolidation over the past five years. Currently, signs of bottoming out are evident, supported by currency depreciation, stable key export markets, potential post-war reconstruction demand, and emerging market demand—all favorable for industry recovery. Taiwan's fastener companies must embrace technological innovation, sustainable transformation, and market diversification to regain growth momentum in global supply chain restructuring and secure a critical position in the next export cycle."

Looking ahead, **2026 to 2028 will be a crucial period for rebuilding Taiwan's export momentum in the fastener industry.** Seizing this opportunity could not only restore export levels to those of 2022 but also break through previous bottlenecks, moving toward higher value, lower carbon emissions, and greater globalization. ■