

# Taiwan CSC Q1 2025 Meeting with Fastener Manufacturers

## Taiwan-EU Carbon Tax Recognition & Unified Reporting Format Being Major Industrial Concerns



Taiwan CSC, together with TIFI, organized the Q1 2025 meeting with fastener manufacturers on Dec./03, hoping to understand the current marketing situation and suggestions of the industry before the official announcement of price adjustments. In addition to Taiwan CSC Chairman of the Board Chien-Chih Hwang & Vice President Ming-Yuan Chen, TIFI Chairman Yung-Yu Tsai, Director General G. J. Lee of SME & Startup Administration of MOEA, Division Director Chao-Chung Kuo of IDA (MOEA), Deputy Secretary Chi-Chuan Wang of Kaohsiung City Government, and Legislator Chih-Wei Chiu, Minister Jyh-Huei Kuo of MOEA also took time out of his schedule to meet with the fastener manufacturers. It is also the sincere hope of many industry players that the Minister will bring the problems reflected by the industry back to the Ministry for proper study and propose concrete solutions.

At the meeting, some manufacturers indicated that due to the impact of the macro-environment, the fastener industry has recently experienced a significant contraction in order intake and overcapacity, and hoped that the Government could help the industry to tide over the difficult times. Legislator Chih-Wei Chiu also echoed the voices of the industry, saying that geopolitics and Chinese products dumped at low prices have posed a great challenge to Taiwan's production and operation over the past few years, and hoped that MOEA would take care of the traditional industries in the central and southern parts of the country in addition to the AI industry, and help the industry transform, inject resources, and help them find their way out by means of relevant preferential policies and tax incentives.



The Minister of Economic Affairs said that “Taiwan is facing a completely new industrial situation after the Covid epidemic, and the fastener industry is also an industry that I am particularly concerned about, and I hope that I can communicate more with you on the future transformation and progress of the industry.” He believes that industrial transformation will be the focus of the future development of related components suppliers. He noted that **MOEA is vigorously encouraging and offering guidance to the development of the “health-related industry”, including sports-related facilities, equipment and even medical facilities & equipment, all of which are what the industry can think about to penetrate into.**

TIFI Chairman Tsai also took the opportunity to reflect to the Minister of Economic Affairs that many fasteners used in national public works projects in Taiwan are often made in China, and he hoped that the Minister could provide assistance in this regard. In addition, he also put forward the idea that Taiwanese fastener industry is in dire need of “large-scale distribution centers.” He said that **the current distribution channels of Taiwanese fasteners are still in the hands of customers, if Taiwanese Government can assist the industry in establishing distribution centers, or through mergers and acquisitions of European and U.S. large distributors to control the channels, Taiwanese suppliers absolutely have the opportunity to turn the tide.**

Some manufacturers also raised questions about the progress of Taiwan Government's promotion of carbon reduction and bilateral discussions with the EU on the mutual recognition of carbon taxes, and they hope that Taiwan's Ministry of Environment and other relevant units will actively strive for more favorable conditions for Taiwanese industry players. In this regard, Director General G. J. Lee of SME & Startup Administration of MOEA said that the current statistics show that about 280 Taiwanese manufacturers may be subject to carbon tax by the EU, and it is expected that the tax will not be levied until 2026, and that the **EU is still in the process of discussing the part of bilateral recognition, and that Taiwan will continue to have more discussions on these issues with the EU.**



▼ Minister Jyh-Huei Kuo of MOEA

The industry is also concerned about whether upstream raw material suppliers such as Taiwan CSC will pass on the cost of carbon reduction to the downstream industry, and it is also mentioned that the government should return a certain percentage of the carbon fee collected from the industry to allow the industry to carry out carbon reduction work, so as to have a substantial effect on the carbon reduction target. In terms of CBAM reporting, the industry also hopes that Taiwan CSC can play a role that large enterprises should play by cooperating with IDA (MOEA) and MIRDC to assist in carbon inventories with the fastener industry, and more importantly, to establish a database and a unified reporting format that every company collaborating with it can use, so that Taiwanese manufacturers can have a better direction and basis in reporting, and at the same time, allow the EU to have more confidence in the reporting made by Taiwanese fastener industry. In this regard, **the representative of Taiwan CSC said that they have in fact achieved a certain degree of common reporting format, though it is still not 100% complete, they will study its feasibility in detail and try their best to work towards the expectation of the industry.**



▼ TIFI Chairman Yung-Yu Tsai

During the meeting, TIFI Chairman Tsai also called on the management of Taiwan CSC to take the views of the industry into consideration and make a resolution that best meets the interests of the industry, so as to enable Taiwan fastener industry to have greater competitiveness in the international market.

Note: Taiwan CSC has announced the latest pricing meeting result and the prices for all products in Q1 2025 remain unchanged. ■

