

Editorial- “Fair Competition”

▶ The Code to Unlock Future Business Opportunities

2025 is a critical turning point for global industries to enter into an unprecedented mode of competition. Not only will the impact be more far-reaching, but the effects felt by the industries are also expected to be more comprehensive and drastic. Starting from the US-led tariff “drama” that is unfolding globally, it involves not only a wide range of industries, but its non-discriminatory tax practices are also making countries worldwide to keep a close watch on. 2025 is also the very last year before the official implementation of EU CBAM, which means that manufacturers will have an even tighter time to prepare. In addition, that China's dumping of low-price products is destabilizing the global supply chain continues to be an unsolved issue, coupled with other concerns like “Which countries will benefit from the reconstruction opportunities arising from the Russia-Ukraine truce?”, “Is the change in Europe's economic indicators signaling the arrival of recovery?”, and “Will the tense political situation in Taiwan be eased, so as to make measures and policies in favor of manufacturers facing external competition?” These domestic and international changes will certainly have a certain degree of impact on whether related companies can obtain fair competition opportunities in the international market. The term “fair competition” will undoubtedly be a very important factor in the future industrial development.

▶ A Health Supply Chain Won't Exist Should Low-Price Dumping Continues

The disorder in the global supply chain caused by the continued dumping of Chinese products at prices below the normal market prices in other countries and the unfair competition created by the tax rebates and subsidies provided by the Chinese government are still urgent and unresolved issues. According to relevant reports, China's crude steel, wire rod and fastener production capacity account for almost half of the world's total, so it naturally has a price advantage in determining market pricing. However, due to China's economic downturn and new obstacles challenging the Belt and Road Initiative in many countries, as well as the pressure of not being able to shut down factories and reduce production, China can only dump its excessive capacity at low prices. While this reduces the pressure on domestic inventories, it also disrupts the original stable supply and demand in other countries. Vietnam, Thailand, Japan and other countries have launched AD investigations or measures to protect their manufacturing. Taiwan, which is mainly an export-oriented country, has also been affected, and has been struggling hard to compete directly with China in terms of similar product categories. **If this problem remains unresolved, it could create a vicious cycle in the multinational supply and demand system, which is not conducive to the development of a healthy global supply chain.** All countries should address this problem and take appropriate measures to solve it.

▶ No More Time to Waste for Taiwanese Companies in the Face of CBAM

Despite previous calls from some countries for the CBAM measure to be delayed or made more flexible, it is now clear that the CBAM is still on track for a 2026 start date. With this measure on the horizon, whoever is ready first has a better chance of getting the upper hand. Although some people criticize this is a





trade protectionism in the guise of environmental protection, **if manufacturers want to get a share of this important consumer market, i.e., the EU, they can no longer be ignorant of it**, especially those Taiwanese fastener suppliers exporting 30-40% of their products to the EU. In the January issue of Fastener World Magazine and this issue, our editors have shared the efforts of a number of large, internationally recognized distributors and manufacturers in the preparations for CBAM, which are also worthy of reference by the industry. Taiwanese government should also be a big supporter to the industry and speed up the process of solving the problem of the lack of an EU accredited certification unit in Taiwan and related implementation details. It would be naive for Taiwan to think that it'll always have an advantage in the CBAM issue when the governments of Japan, S. Korea, and other countries in Southeast Asia are providing necessary resources for CBAM and striving for reciprocal agreements externally with other countries for their domestic industries.

► Opportunities or Crises Brought by U.S. Tariffs May Make Taiwan More Competitive

Although President Trump's announcement of a 25% tariff on all steel and aluminum imports has raised many concerns, Taiwan may still be able to find a competitive edge on the basis of "equal treatment" when the details of the tariff become clearer this March or April. If Taiwan CSC, the largest source of supplies of Taiwanese fastener industry, can also provide wire rod/coil offering more profit margin, it is only a matter of time before Taiwan sees another export boom (note: Taiwan's fasteners export value decreased by less than 5% last year, and its export volume increased slightly by 1.5%). It is important to note that about 50% of Taiwanese fasteners are exported to the U.S., so **how much tax its biggest competitor (China) will ultimately be subject to, and whether the countries with deeper interests in the U.S. will be able to obtain exemptions or tax reductions will impact Taiwan's competitiveness in terms of price quotations**. In addition, the regional industrial supply chain will become the mainstream of the future, the global fastener industry may plan to set up factories or distribution channels in the U.S., and the U.S. manufacturing industry will also be more willing to do more local investments. The biggest beneficiary will be the local consumers.

► Russia-Ukraine Truce and Natural Disasters Will Bring Reconstruction Demands

The war will finally end someday, and H1 2025 will be crucial for the subsequent development of the situation. If Russia and Ukraine sign an armistice under the mediation of various countries, **the post-war reconstruction of Ukraine's infrastructure is expected to bring huge demand for iron & steel, building materials and fasteners**, and the countries that will ultimately benefit from it will further promote the integration and reorganization of the global supply chain. In addition, reconstruction and rehabilitation after natural disasters such as earthquakes and floods (e.g., the destruction of houses caused by last year's forest fires in California) will also bring astronomical demand for fasteners. It is suggested that the industry can seize the opportunity to actively pursue business opportunities.

► Fastener Fair Global- a Barometer of European Market

As Europe's largest fastener industry event, Fastener Fair Global this year will see nearly 170 Taiwanese exhibitors under the call of Fastener World. This Fair has attracted a lot of European leading industry buyers to visit for years and is an important indicator for many industry players to observe the European economy and understand the changes in production and sales of the industries (e.g., automotive, fasteners, hardware and components, fastening tools, and machinery). As Europe has been affected by the uncertain economic outlook for the past 2-3 years, the overall demand for fasteners has been sluggish. Therefore, **this year's Fastener Fair Global will be a very important indicator to observe whether the European market is picking up or not and whether there is any positive news**. You are welcome to visit Fastener World's booths at no. 2621 in Hall 5 and no. 4260 in Hall 7 for the latest industry news and supplier information during the 3-day show period.

► Taiwanese Industries May be Victimized by Partisan Catfight

Many domestic industry players are concerned about whether the current political conflicts in Taiwan will drag down the international competitiveness of Taiwanese industries, as an unstable political and economic environment will not only make the long-term industrial development lack of support, but also discourage overseas customers interested in deepening cooperation with Taiwan from further investment, not to mention that in the long run it will also be detrimental to the image Taiwan has maintained for years as the best partner in customers' minds. Although the fastener industry accounts for a relatively small portion of Taiwan's overall foreign exchange earnings, it is an indispensable part supporting the development of various industries. In the face of an increasingly challenging business environment in the industry (such as worries about adequate water and electricity supply), **Taiwanese fastener manufacturers need more support from the government in order to gradually recover their lost capacity** and gain more opportunities for international cooperation. As long as the foundation of fair competition remains unchanged, the development of Taiwanese fastener industry still has a good chance. ■

