

U.S. Export Tariffs at 50% Unchanged, TIFI: “Taiwan Fasteners Shift to Higher Quality & Differentiation”



台灣螺絲工業同業公會
Taiwan Industrial Fasteners Institute

Taiwan and the U.S. have finalized reciprocal tariffs—now at 15%—but Taiwan's fasteners sector remains under Section 232 provisions, maintaining 50% U.S. import duties. **Secretary-General Mr. Fang-Yi Yang of Taiwan Industrial Fasteners Institute (TIFI) stated that global steel exports to the U.S. face the same 50% rate; Taiwan firms must compete via high quality, product differentiation, and international strategies.** Yang noted the industry had been impacted before the negotiation and urges the government to keep NTD exchange rate stabilized.

Kaohsiung City Government highlighted Kaohsiung as Taiwan's fastener production hub, accounting for over 50% of national output, with North America as a key market. The government collaborates with industry associations for real-time impact assessment, guiding firms toward high-value, digital, and low-carbon development to boost global competitiveness.

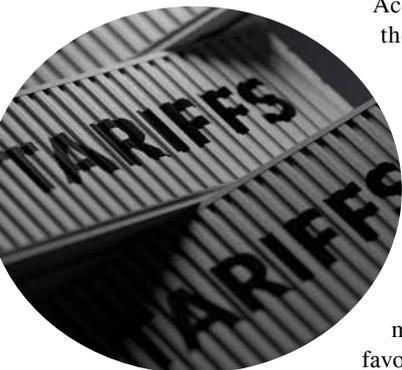
Market Watch: Trump Tariff 2.0

Reciprocal Tariff for Taiwan Totals No More Than 15%, Including Auto Parts

Taiwan-U.S. tariff negotiations achieved significant progress on January 15, reaching four agreements on key areas: “Taiwan's reciprocal tariffs reduced to 15% without accumulation,” “Semiconductors and related derivative products subject to Section 232 tariffs are granted MFN treatment,” “Expanded supply chain investment cooperation,” and “Deepening the Taiwan-U.S. AI strategic partnership.” Representatives from the Taipei Economic and Cultural Representative Office (TECRO) and the American Institute in Taiwan (AIT) signed a memorandum of cooperation at the U.S. Department of Commerce.

The reduction of reciprocal tariffs to 15% without accumulation will grant Taiwan “most-favored-nation treatment” among major U.S. trade deficit countries, placing it on par with trading partners like the EU, Japan, and South Korea. While the agreement primarily focuses on future investment plans in the U.S. and tariff incentives for Taiwan's semiconductor, chip, and high-tech industries, traditional industry sectors like hand tools and machine tools—previously subject to 20% reciprocal tariffs—along with the auto parts industry (facing 25% tariffs under Section 232 starting May 2025) will also see rates reduced to 15%. Additionally, according to the announcement of U.S. Department of Commerce, aircraft components falling under reciprocal tariff coverage will enjoy a 0% tariff rate, benefiting manufacturers in related sectors.

According to Taiwan's negotiation task force, the U.S. has committed that raw materials, equipment, and components required for Taiwanese enterprises investing in, establishing factories in, and operating within the U.S. will be exempted from reciprocal tariffs and Section 232 tariffs. Additionally, regarding potential new items added under the U.S. Section 232 measures in the future, both Taiwan and the U.S. have also agreed to establish a mechanism for ongoing negotiation on most-favored-nation treatment.



Fastener Importer Challenges CBP's Section 232 Tariff Valuation Method in U.S. CIT Lawsuit

Illinois-based fastener importer Express Fasteners, Ltd. has filed a lawsuit at the U.S. Court of International Trade (CIT), contesting the U.S. Customs and Border Protection (CBP)'s valuation and application of Section 232 tariffs on imported steel and aluminum derivative products. **The plaintiff argues that CBP unlawfully imposed 50% steel duties on its imported fasteners by applying the tariff to the full product value—including machining, manufacturing, factory overhead, and other non-steel costs—rather than limiting it to steel content alone. This shift violates longstanding CSMS guidance, FAQs, and Customs rulings, and was implemented without public notice, comment, or rulemaking procedures, constituting an arbitrary and unlawful change.**

At the heart of the case is an internal, unpublished memorandum from CBP's Base Metals Center of Excellence and Expertise (CEE) issued last December. Express alleges the memo redefines manufacturing, machining, overhead, and profit as “steel content,” inflating duties dramatically. The company claims this generally applicable rule required Administrative Procedure Act notice-and-comment processes, which CBP failed to follow. Express seeks a court declaration invalidating CBP's approach, reliquidation based solely on steel content, and refund of excess duties plus interest.



Record China 2025 Trade Surplus Defies US Tariffs

National Bureau of Statistics of China announced that the Chinese economy grew 5% in 2025, hitting its target, fueled by a historic USD 1.19 trillion trade surplus. **Despite Q4 slowing to 4.5%, exports defy Trump tariffs, a slumping property market, and weak consumer spending.**

However, analysts call it a "dual-speed economy": robust manufacturing and exports contrast with lagging domestic demand and real estate. Capital Economics suggests the data overstates growth by 1.5 points. Compounding woes, births hit a record low of 7.9 million, with the population dropping 3.4 million to 1.4 billion. Natixis (France trade bank) warns low-price exports aren't sustainable. Last December saw home prices fall 2.7%, investment drop 17.2%, and retail rise just 0.9%. The head of National Bureau of Statistics of China acknowledges supply-demand imbalance but expects stability. Beijing plans proactive policies to boost confidence, curb debt, and reduce export reliance.



Market Watch: CBAM

Taiwan Environment Minister Confirms EU CBAM Exemptions in His Europe Visit: 2,600 Taiwan Firms Relieved of Carbon Tariff Pressure

Environment Minister Chi-Ming Peng visited the EU on February 21 for in-depth discussions on CBAM, confirming that SMEs can apply simplified carbon emission formulas and de minimis exemptions. With annual imports under 50 tons fully exempt, approximately 2,600 Taiwan SMEs exporting to Europe will benefit, significantly easing administrative burdens.



Presenting on "Taiwan Green Strategy," the minister outlined net-zero pathways, carbon fee mechanisms, and climate governance plans. The EU praised Taiwan's carbon fee deductions covering Scope 2 emissions. **Discussions focused on three key issues: carbon price deduction calculations and certification, mutual verifier recognition, and technical exchanges.** The EU revealed that multiple countries have complained about high verifier administrative costs and is amending regulations to include mutual recognition provisions, potentially validating Taiwan certificates.

Taiwan ranks 13th among the EU's top 20 CBAM product import sources during the transition period, with 3.74 million metric tons mainly being steel products including screws, fasteners, stainless steel, and carbon steel. The Climate Agency noted Taiwan's carbon fees are CBAM-recognized but awaits EU's deduction formulas, urging clearer calculation methods and proof requirements. The minister emphasized Taiwan's precision manufacturing and urban mining recycling strengths, positioning it as a "global green solution" to deepen Taiwan-EU climate collaboration.

Industry Development

War, Price Cutting, and Import Surge: Taiwan Fasteners Hit by Freight Spike and Chinese Undercutting

U.S. strikes on Iran have nearly halted Hormuz Strait shipping, with carriers suspending Middle East cargo acceptance. **Spot rates to Europe and Middle East have surged USD 1,000 above contract rates plus surcharges.** Evergreen Marine maintains all scheduled services but closely monitors Middle East, Red Sea, and Hormuz developments, promising timely customer notifications for any adjustments.

On the other end of the world, China's 2025 fastener exports hit 6.23 million tons, up 6.7% YoY, but average price fell to USD 1.9/kg from USD 2/kg, continuing the decline. Taiwanese manufacturers note that China's low-price dumping and intense internal competition have customers using Chinese quotes to pressure **Taiwanese suppliers for lower prices. Taiwan's high costs make it hard to compete, leading to a "severe competition" in standard products, with Taiwanese firms opting to reject orders to avoid losses.**

In steel trends, according to Taiwan CSC's statistics, **cold heading material imports in Taiwan from South Korea surged 395% in 2025** to 26,857 tons. Taiwanese manufacturers shifted purchase because Korean material is 10-15% cheaper, with cold heading mainly used for automotive cold-forged bolts, nuts, etc. Taiwan CSC's price plan to balance the price gap still struggles against the appeal of Korean material.

Taiwan's fastener industry confronts freight spikes, Chinese low price, and Korean steel substitution in a perfect storm of challenges.



Companies Development

Tariffs Ease, Sumeeko Aims for Recovery with European Factory Boosting Annual Operations



Automotive fasteners leader Sumeeko welcomes a turning point, with profit structure improving significantly this year, paving the way for operations to return to normal levels.

Sumeeko's consolidated revenue last year reached NTD 2.554 billion, down 7.64% year-over-year, mainly due to advance payments for high tariffs and the ongoing optimization of its German plant. Around 60-70% of revenue comes from OEM clients. Last year, orders from its Taiwan plant to Europe and the U.S. remained stable. However, the company shipped goods to U.S. warehouses in advance and held them there until customers placed orders, which required it to pay tariffs upfront and significantly hurt profits. In the second half, Sumeeko actively negotiated with clients; some have agreed to cover tariffs, while others adjusted shipping strategies. With the Taiwan-U.S. tariff situation finalized, pressures have clearly eased. Sumeeko announced that its German subsidiary, MAX MOTHEs GmbH, invested €1.8 million to establish a wholly-owned new subsidiary, Beco Group GmbH, targeting acquisitions of suppliers to German OEM clients. This is expected to add €3-5 million in annual revenue, directly boosting this year's revenue and profits. Positive news also came from the U.S. plant, which is undergoing customer certification and is slated for production in the first quarter, aligning with localization demands. Sumeeko's operations look promising this year, with the market optimistic about these dual positives driving a recovery.

Edson Manufacturing Expands, Investing USD 4 Million in New Facility in Connecticut

Edson Manufacturing (Connecticut, USA) is rapidly expanding its operations and has announced a roughly USD 4 million investment to relocate to a new facility exceeding 38,000 square feet on over 36 acres of land. The move is expected to be completed by mid-2026. Combined with existing facilities, the total space will surpass 78,000 square feet, enhancing service to customers.



Established in 1964 as an eyelet manufacturer, Edson has evolved from a small 5,200 sq ft shop with just seven employees into a powerhouse producing over 450 million fasteners, tools, and components annually for thousands of customers across industries. It now employs more than 50 people and specializes in domestic blind rivets made from stainless steel, steel, aluminum, copper, and monel. Since 1987, under current ownership, the company has prioritized quality assurance, on-time deliveries, competitive pricing, and exceptional customer service.

General Fasteners Company Appoints New President

U.S. Suburban Detroit-based fastener and Class C components distributor General Fasteners Company has named John Hickey as its new president. Previously vice president of strategic operations and sales, Hickey was promoted as announced via social media. Company officials described him as the "driving force" behind operations, growth, and corporate culture. "I'm honored to step into this role and continue building on General Fasteners' legacy of reliability, innovation, and partnership," Hickey stated.



The 70-year-old distributor rebranded to General Fasteners last year, symbolizing its evolution from fasteners to a "trusted partner in global supply chain management."



ARP Launches New Specialty Nuts and Washers Lineup

U.S. high-performance fastener manufacturer ARP has expanded its nuts and washers offerings, introducing nearly 60 new kits for 2026 to complement its diverse bolts and studs. **The washer lineup features polished stainless steel or black oxide-treated 8740 chrome moly in SAE sizes from 1/4" to 3/4", with standard or chamfered options; metric sizes M6 to M18 are also available. Special insert washers prevent hole galling or collapsing in popular SAE and metric sizes.**

Founded in 1968 as a family-owned and operated company, ARP in-house manufactures premium nuts to the industry's strictest specs. These include polished stainless steel and black oxide 8740 chrome moly 12-point and hex nuts for SAE coarse/fine and metric uses, plus Nyloc self-locking hex "Jet" nuts, 12-point "K" nuts, and serrated flange nuts.



BULTEN



Bulten Group to Invest Rs 525cr in Tamil Nadu Fastener Plant

Sweden-based fastener leader Bulten Group, through its Indian subsidiary PSM Fasteners India, has signed a Memorandum of Understanding with the Tamil Nadu government to establish a new manufacturing facility in Oragadam. The project involves a Rs 525 crore investment, as announced by Tamil Nadu Industries Minister T R B Rajaa on social media. It is expected to create around 2,000 jobs.

The new plant will produce a full range of micro-fasteners to meet domestic demand and target key export markets in Europe and the United States. This move strengthens Bulten's southern India manufacturing base, combining advanced technology with local advantages to enhance global supply chain competitiveness and boost the regional economy.

SIMPSON

Strong-Tie

Simpson Strong-Tie Expands Concrete Retrofit Bolt Lineup

U.S. structural fastening leader Simpson Strong-Tie is **expanding its RFB retrofit bolt series with new diameters and lengths in Grade 36 rod, plus new Grade 55, 105, and Stainless Steel 304/316 options.** These precut, precleaned threaded rods come fully assembled with nut and washer, pairing seamlessly with anchoring adhesives for quick anchoring into existing concrete and masonry, saving significant jobsite time. RFBs stand out with clear dual-end markings: length stamped in inches (for 1/2" diameters and up) and color-coding by steel grade for easy identification. Paired with Simpson adhesives, they form a complete engineered system.

Associate Product Manager Jerry Miller stated: "Field engineers struggling to verify post-install specs will appreciate our stamped and color-coded RFBs for time savings and peace of mind in inspection. The expanded line now offers greater versatility, including 3/8" diameter, shorter lengths for 1/2"-3/4" bolts, and 7/8"-1" zinc-plated carbon steel to meet diverse capacity needs."



PUNCH INDUSTRY CO., LTD.

Punch Industry and Misumi Group Launch Mold Parts Logistics Partnership

Punch Industry began outsourcing logistics operations to Misumi Group's East Japan Distribution Center, starting October 2025. Punch's former Tokyo Logistics Center is integrated into Misumi's facility, with Misumi providing third-party logistics services. **Results include 110 hours/month reduction in truck waiting/loading time and 216 fewer 10-ton truck visits monthly, plus shelf-transport robots and automated picking systems enhancing efficiency.**

Volume consolidation generates scale economies for stable customer supply. Misumi, serving 323 thousand global clients with 30M+ items, won JILS's top 2025 Logistics Improvement Award. **Future plans include joint procurement, mutual supply, leveraging Punch's precision machining with Misumi's digital technology for overseas expansion and supply chain optimization in metalworking/mechanical parts.**



Mercedes-Benz

Mercedes-Benz Returns to Screws, Replacing Glue for Enhanced Sustainability and Repairability

Under its Tomorrow XX program, German automaker Mercedes-Benz is rethinking fastening technology by **switching from glue to screw assemblies, significantly boosting vehicle sustainability and repair convenience. This addresses material waste reduction, easier part disassembly, and owners' demands for repair-friendly designs.**

The first application targets headlight lenses: shifting from glued attachments to screw fixation allows damaged lenses to be replaced individually by unscrewing a few bolts, avoiding full headlamp disposal. This cuts resource use and enables easy self-repairs. For decades, adhesives were favored for lighter weight, lower fuel use, and CO2 reduction, but they complicate repairs—leading to whole assemblies landfilled—and hinder material separation for recycling.

Mercedes is also testing thermoplastic rivets for soft door panels instead of ultrasonic welding, allowing simple drilling for disassembly in repairs or end-of-life recycling. Engineers stress this screw revival balances innovation, environmental duty, and user ease. Future models will feature these solutions, upholding the century-old brand's commitment to progress and responsibility.





Southco Thailand Chon Buri New Plant Opens, Deepens Southeast Asia Fastener Market Presence

Global engineering solutions company Southco has officially opened its new facility in Chon Buri, Thailand, marking a major milestone in its Southeast Asian expansion. **Spanning over 2,255 square meters, the plant focuses on manufacturing captive screws, electronic access solutions, ejectors, and Quick Disconnect Adapters, significantly reducing lead times and enhancing supply chain resilience while bringing world-class operations closer to fast-growing markets.**

Following Southco's record-breaking year of global expansion, the Chon Buri facility positions the company to deliver cutting-edge solutions across Southeast Asia while maintaining rigorous quality standards. Southco emphasized that the new plant strengthens localized production capabilities

and customer service efficiency. This expansion underscores the company's long-term commitment to the Asia-Pacific region, establishing Chon Buri as a key manufacturing hub supporting rapid response and customization needs throughout Southeast Asia.



FasLab Established as Japan's First Fastener Think Tank

Japanese fastener firm Saima Corporation has announced **the establishment of Faslab, a fastening technology consulting firm, to provide neutral and objective professional advisory services to mechanism designers. This move addresses the common shortage of verification and consulting resources in screw, bolt, and bolted joint design practices.**

Faslab caters to designers' real-world needs by offering paid technical consulting services based on theory, testing, and analysis—including inspection analysis—without bias toward any specific vendor. Bolt-related failures directly impact product quality and safety, yet design sites often lack professional consulting channels. The company tackles designers' core challenges head-on, delivering practical solutions.

Saima Corporation's expertise in fastening technology will, through this new service model, help design teams solve tough problems and enhance manufacturing reliability. Faslab's services are slated to launch this April. This initiative ushers in a new era of technical support in Japan's fastener industry and is poised to become an indispensable professional think-tank partner for designers.

Nitto Seiko's India Vulcan New Plant Launches, Boosting Cold Forging Capacity for Japanese Clients

Nitto Seiko announced that its Indian subsidiary Vulcan Forge's Jhajjar plant in Haryana **began production in December 2025.** Anchored by 5S systems, it strengthens customer engagement to optimize quality, delivery, and costs, integrating with group operations to enhance local manufacturing and supply stability.

Located in Reliance MET City industrial park near the capital region—a smart city hub drawing major Japanese firms—the **facility produces nuts and special cold-forged parts. Designed with second-floor expansion potential for future scaling.**

Future plans include accelerating client development for reliable Japanese supply; installing solar panels to cut power costs and emissions; consolidating HQ functions for optimized staffing, shorter lead times, and lower logistics expenses; and rolling out group training to build on-site personnel cohesion.

This strategic move solidifies Nitto Seiko's Indian footprint, supporting global forging chains.





Young Mobility Wins Ford Q1 Certification: First in Korean Fasteners Industry, Eyeing Global Expansion

South Korean fastener maker Young Mobility (YM) announced on November 18, 2025, that it has become the first domestic company to earn Ford Motor Company's top-tier Q1 certification. This award follows rigorous evaluation of quality, production capabilities, and supply chain management, designating YM as an official primary partner with rights to bid on new business.

YM formed a cross-functional task force last October spanning quality, production, and sales, achieving certification after about one year. Currently supplying bolts for Ford Europe's (Germany, UK) powertrains, YM now targets North America and Ford Thailand for new opportunities. Ongoing projects with global giants like Hyundai-Kia (largest ICE and EV customer), Schaeffler, LG Magna, and BorgWarner continue expanding. YM is ramping up sales with Ford, GM, and Rivian, driving steady export and revenue growth.

Acquisitions



Applied Industrial Technologies Acquires Thompson Industrial Supply



Applied Industrial Technologies announced on January 27 the acquisition of Thompson Industrial Supply. Thompson distributes industrial bearings, power transmission, hydraulics, pneumatics, linear motion, and lightweight belting with 40+ employees across two locations serving food & beverage, consumer products, pharma, life sciences, and more. Integrated into Applied's U.S. Service Centers, it's expected to add USD 20M in first-year sales.

President & CEO Neil Schrimsher stated: "Thompson bolsters our local service centers and motion control aftermarket support. This bolt-on enhances our footprint with technical expertise, supplier ties, and in-house fabrication boosting value-added services regionally." Applied ranked No. 7 in industrial supplies, and No. 10 in fasteners on MDM's 2025 Top Distributors list. **This acquisition continues to strengthen Applied's local service center advantages, enhancing after-sales support for motion control solutions.**

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西華産業株式會社
SEIKA CORPORATION

Japanese Seika Corporation Acquires Coating Machine Maker Asahi Sunac

Seika Corporation announced it acquired 100% of the shares in Asahi Sunac—a manufacturer and seller of coating machines, die-casting machines, and precision cleaning equipment—on December 1, 2025, making it a subsidiary. The market has expectations of performance contributions. The two companies previously established joint ventures in Germany and Thailand. **This acquisition aims to leverage Seika Corporation's expertise as a comprehensive machinery trading firm, deepening collaboration not only in sales but also in business development. The acquisition price was not disclosed. ■**

