

# Reassessing Taiwan Fastener Industry's Competitiveness in 2026

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In the first quarter of 2026, the external environment faced by global manufacturing has grown even more complex and unstable than in previous years. On one hand, escalating military tensions between the US, Israel, and Iran are driving up international oil prices, shipping risks, and market risk aversion, creating fresh pressures on manufacturing sectors heavily reliant on cross-border logistics and raw material supplies. On the other hand, the US Supreme Court ruled in February 2026 that the Trump administration's prior use of the International Emergency Economic Powers Act to impose global tariffs was unlawful. Yet the administration quickly pivoted to new tariff arrangements and trade investigation tools, signaling that U.S. trade protectionism persists—not in retreat, but evolving into a phase with more legal packaging and policy uncertainty.

Against this backdrop, the global fastener industry maintains a semblance of stable transaction volumes and supply chains on the surface, but its underlying dynamics have shifted rapidly. Companies no longer compare just price and quality; they now simultaneously assess production site security, country-of-origin, tariff risks, delivery resilience, and customer localization demands. **For Taiwan, fastener exports haven't slowed dramatically, but the competitive edge built on stable quality and flexible manufacturing is facing renewed scrutiny amid regional supply chain reshuffles and the rise of emerging manufacturing nations. This article thus examines Taiwan's true position in the new international competitive landscape—from aspects like global market shifts, key competitors' export performance, and Taiwan's export structure and pricing strategy.** Is Taiwan still a resilient, highly trustable supplier, or is it at a turning point of "calm on the surface, but turbulent in reality" ?

## Global Market Trend Shifts

Table 1. Top 10 Global Fastener Export Markets by Value in 2025

Unit: USD 100 million

2025 Export Ranking	2021	2022	2023	2024	2025	YoY Change	5-Year CAGR
China	118.9	139.6	114.1	117.9	122.9	4.3%	0.8%
Germany	80.6	79.6	84.2	80.9	83.1	2.7%	0.8%
USA	45.8	53.1	60.5	62.3	62.0	-0.4%	7.9%
Taiwan	55.7	63.7	47.8	45.4	43.8	-3.6%	-5.8%
Japan	29.9	26.4	24.4	23.7	23.6	-0.2%	-5.7%
France	16.5	17.2	19.6	21.4	23.6	9.9%	9.2%
UK	10.2	10.9	11.9	13.3	13.8	4.0%	7.9%
South Korea	10.3	11.6	11.4	11.4	10.7	-6.5%	0.8%
Switzerland	11.6	11.5	11.5	11.3	11.4	0.6%	-0.4%
Turkey	7.7	9.4	8.7	8.3	8.8	5.1%	3.4%



In **Table 1** on the top 10 global fastener exporting countries, we see that the supply landscape from 2021 to 2025 has largely preserved its ranking structure on the surface. However, growth rates and export compositions reveal clear internal divergences. **China held the global top spot at USD 12.29 billion, underscoring its enduring lead in production scale and supply chain completeness. Yet its 5-year CAGR of just 0.8% shows that amid global demand fluctuations and trade restrictions, export volumes remain high but growth momentum has reached a plateau.** In Europe, Germany has long held the No. 2 position, with its 2025 exports reaching USD 8.31 billion—evidence of its strong market stickiness in high-precision engineering and industrial-grade fasteners. Meanwhile, France and the UK have seen notable export growth recently, with their 5-year CAGRs of 9.2% and 7.9%, respectively, reflecting ongoing expansion by some European manufacturers in high-value-added fastener markets. Overall, Europe's supply system continues to play a key role in the global fastener market as a hub for high pricing and technical barriers.

Notably, Taiwan remained the world's 4th largest exporter, but its 2025 export value fell to USD 4.38 billion—a 3.6% year-over-year decline—with a negative 5-year CAGR. Meanwhile, the U.S. has seen a 7.9% 5-year CAGR, fueled by infrastructure investments and manufacturing reshoring policies, signaling **a gradual shift toward regionalization and localization in global fastener demand structures.**

However, examining CAGR reveals diverging development paths among countries. On one side, nations like China and Vietnam leverage scale and cost advantages to steadily expand export volumes, preserving price competitiveness in global markets. On the other, Germany, Japan, and certain European countries maintain higher export unit prices, reflecting a product mix skewed toward engineering-grade or high-value-added fasteners. Emerging hubs like India and Thailand have posted export growth far outpacing mature suppliers in recent years, indicating that **global supply chain reconfiguration is reshaping the fastener industry's competitive map.** Overall, competition in the sector has evolved beyond mere production volumes, manifesting in three distinct models: "price competition," "technology premiums," and "supply chain geopolitical advantages."

This shift has moved competition away from pure price wars toward integrated battles over technical capabilities, supply chain positioning, and trade regime strengths.

In summary, the global fastener industry has solidified into a tripolar structure—"Asian mass production supply, European high-value manufacturing, and American demand expansion"—with emerging bases steadily gaining market share amid supply chain reshuffles.

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## Competitor Analysis

In this supply chain reconfiguration battle, **China holds the global No. 1 spot thanks to its domestic market and scale advantages. However, India, Thailand, and Turkey are rising swiftly on cost and geopolitical edges, serving not just as "friendshoring" partners for U.S. firms** but also gaining advantages in EU duty-free access and Middle East transshipment. Vietnam warrants special attention, too: Taiwanese fastener giants Anchor Fasteners Industrial and Thread Industrial have been entrenched there for over 20 years, and in the past three years, major first-tier players like Sheh Fung Screws and Boltun have also set up Vietnamese operations at customers' behest. Thus, Vietnam will be also included in this section for Taiwan's competitive analysis.

### 1. China

As shown in **Table 2**, China's fastener industry retained its position as the world's largest supplier in 2025, with export momentum driven primarily by upstream steel overcapacity and resulting cost advantages. China long accounts for over half of global steel output, giving standard fasteners like screws and nuts a clear edge in material costs. In 2025, amid ongoing real estate market adjustments, some domestic steel demand shifted to exports, indirectly bolstering fasteners' price competitiveness abroad.

Meanwhile, Chinese government investments in infrastructure and new energy industries continue to fuel industrial demand—sectors like electric vehicles, wind power equipment, and power transmission all require vast quantities of mechanical and engineering fasteners, keeping overall capacity utilization steady. Yet under U.S. and EU trade restrictions and tariffs, Chinese firms have set up factories or used transshipment via Vietnam and Thailand to hold market share, creating a "China manufacturing + overseas export bases" supply chain model that sustains downward pressure on global prices.

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Additionally, China's exports to Vietnam have surged notably over the past three years, driven by escalating international geopolitical tensions. Amid the U.S. push for supply chain "de-risking," companies worldwide are shifting capacity out of China, forming a new "China+1" regional production model. Southeast Asia has emerged as the hotspot for this wave of manufacturing investments, especially among Chinese firms flocking to Vietnam and

Thailand—not just to diversify geopolitical risks through local factories, but likely also to sidestep high EU/U.S. tariffs and bolster influence in ASEAN markets. Beyond conventional contract manufacturing, high-tech sectors like electronics, semiconductors, and EVs are relocating to Vietnam, too, markedly increasing China's fastener exports there.

**Table 2. China's Export Performance Over the Past 5 Years**

Unit: USD 100 million							
Ranking	Country	2021	2022	2023	2024	2025	CAGR
0	Global	118.9	139.6	114.1	117.9	122.9	0.8%
1	USA	17.4	20.9	15.8	17.3	15.6	-2.7%
2	UAE	5.4	5.6	4.9	5.9	7.7	9.1%
3	Netherlands	5.7	5.1	4.9	6.3	5.9	0.7%
4	South Korea	6.0	6.8	4.8	5.2	5.7	-1.4%
5	Germany	4.9	5.3	4.4	4.3	4.3	-2.8%

Europe is another bright spot for China, with strong performances in markets like Germany, the UK, and Italy. Europe genuinely relies on Chinese manufacturing for cost efficiency and parts availability, which is vital for its firms' competitiveness. However, Europe is acting to reduce this dependence—through stricter scrutiny of Chinese goods, alternative supplier searches, domestic industry boosts, and resource recycling. By October 2025, multiple European countries had launched anti-subsidy or anti-dumping probes into Chinese EVs, solar panels, steel, and aluminum. EU officials have repeatedly signaled tougher defensive trade measures to counter China's uneven market environment, highlighting the complex interplay of dependence and decoupling in China-EU trade ties.

## 2. India

India's manufacturing sector has matured over the past decade. In aerospace, suppliers like Hical Technologies and JJG Aero provide components to global giants such as Boeing and Raytheon. The automotive industry features makers like Maruti Suzuki, with Taiwanese OEMs like Hiwin collaborating there. Electronics manufacturing is booming, too, exemplified by Apple's shift of some iPhone production to India.

The rise of India's fastener industry ties closely to the rapid expansion of these aerospace and high-end manufacturing sectors. In recent years, it has drawn major global players like Rolls-Royce and Airbus to ramp up sourcing and investment. Rolls-Royce procurement VP Huw Morgan once noted in media: "India is the best solution to supply chain challenges." The company plans to double its Indian procurement over the next five years, signaling trust in India's supply chain stability and capabilities.

Airbus awarded aircraft door manufacturing contracts to Indian suppliers for the second time in 2024 alone. Its international business head, Michel Narchi, stated that India's contributions to the Airbus supply chain exceed €1 billion, with Indian-made parts in nearly every Airbus aircraft. These moves by flagship firms show India evolving from basic components to a high-end supply chain role with design and integration prowess. **Government initiatives like "Make in India" and aerospace defense policies—coupled with robust certification systems, English-speaking business environment, and cost edges—have propelled India's fastener sector, positioning it as a key partner in global aerospace and engineering supply chains.**

As shown in **Table 3**, India's 2025 export performance has thrived amid the US-China trade war, pleasing both sides. In the first half of 2025, exports to the U.S. grew about 25% year-over-year (vs. H1 2024), a red flag for Taiwanese firms—especially in standard products, since the U.S. is also Taiwan's top export destination. Under identical market and product-grade conditions, price comparisons are inevitable, and price hinges on cost and quality. **Taiwan's production costs are indeed higher than India's, and as India absorbs long-term foreign investment and upgrades equipment, it will increasingly become a viable U.S. alternative to Taiwanese standard fasteners.**

**Table 3. India's Export Performance Over the Past 5 Years**  
Unit: USD 100 million

Ranking	Country	H1 2023	H2 2023	H1 2024	H2 2024	H1 2025	YoY Change
0	Global	5.5	8.7	10.2	9.9	10.3	17.1%
1	USA	1.4	2.3	3.1	2.8	3.2	24.5%
2	UAE	0.3	0.4	0.5	0.7	0.8	26.3%
3	Netherlands	0.5	0.9	1.0	0.9	0.7	9.9%
4	South Korea	0.1	0.1	0.1	0.1	0.7	87.2%
5	Germany	0.6	0.9	1.1	0.9	0.7	3.1%

**Table 4. Thailand's Export Performance Over the Past 5 Years**  
Unit: USD 100 million

Ranking	Country	H1 2023	H2 2023	H1 2024	H2 2024	H1 2025	YoY Change
0	Global	7.0	7.8	6.9	7.0	7.7	2.4%
1	USA	1.8	2.3	1.6	1.7	2.0	3.5%
2	India	0.6	0.6	0.8	0.9	0.9	12.5%
3	Japan	0.6	0.5	0.4	0.4	0.5	-3.7%
4	Germany	0.4	0.4	0.5	0.4	0.4	3.2%
5	Indonesia	0.6	0.5	0.6	0.4	0.4	-10.8%

## 3. Thailand

**Table 4** shows Thailand's fastener exports to the US improving over the past two years. Lacking a direct US free trade agreement, Thailand benefits from flexible tariff networks under RCEP and bilateral FTAs with multiple countries. The Thai baht's depreciation in end-2024 further sharpened export pricing competitiveness, boosting exports.

Moreover, Thailand's fastener industry has long benefited from its mature automotive clusters, where Japanese brands' local factories have built complete component supply chains, providing stable end-market demand. As shown in **Table 4**, Thailand's fastener exports reached USD 770 million in H1 2025, up 2.4% year-over-year, indicating mild overall growth. The U.S. remains the top market at USD 200 million (up 3.5%), reflecting post-inventory stabilization in U.S. demand.

Notably, exports to India grew most sharply at USD 90 million (up 12.5%) in H1 2025, signaling synchronized component demand across South and Southeast Asian manufacturing chains. In contrast, Japan and Indonesia saw slight declines, tied to regional manufacturing cycles. Overall, **Thailand's edge isn't just price—it's rooted in automotive clusters and regional supply chain integration, cementing its role as a key Asian components hub.**



#### 4. Turkey

Referring to **Table 5**, Turkey's top 10 export destinations are mostly European countries, leveraging geographic proximity. Yet exports to its largest client, Germany, are declining, and even more so to its second largest destination—U.S. market. Key reasons: Despite Europe's PMI rebound, overall demand remains in mild recovery—auto and machinery orders haven't fully revived, with importers focusing on clearing inventories. High energy costs and inflation have made end-markets cautious, slowing Turkish fastener exports to Germany, France, Poland, Italy, and other European countries. Next, the U.S.'s ongoing "reindustrialization" and "friendshoring" policies have shifted some importers toward Mexico and Indo-Pacific sources. Though a NATO ally, Turkey faces distance and shipping cost disadvantages, compounded by a strong USD, rising freight rates, and eroding price competitiveness. Local high inflation and tight financing have squeezed small-to-medium fastener makers, forcing them to trade volume for price—driving down unit prices and margins while sapping export momentum. This explains Turkey's declining US market performance. Notably, **two Turkish export markets—Czechia and Romania—have grown sharply, likely due to Europe's "nearshoring" push. Central and Eastern Europe are emerging as alternatives to high-cost German/French manufacturing hubs. Turkey's mid-price fasteners align well with European standards while offering clear cost advantages, steadily boosting market share in these newer EU members.**

#### 5. Vietnam

**Table 6** highlights Vietnam's stellar 2025 export performance, driven by three main factors. First, Vietnam has become a prime destination for global manufacturing shifts, with its fastener growth fueled by foreign investment and a web of free trade agreements. Post-US-China trade war accelerating "China+1" strategies have drawn electronics, machinery, and metalworking firms to build factories, rapidly expanding Vietnam's industrial base—led by Chinese, Taiwanese, and Japanese investors, broadening export foundations. Second, Vietnam boasts effective FTAs like EVFTA, CPTPP, and RCEP, slashing tariffs and easing access to EU/US markets. Third, political stability and aggressive investment incentives have attracted FDI in electronics, machinery, and hardware components, aided by improved port infrastructure for higher export efficiency. Intriguingly, Taiwan ranked as Vietnam's 6th largest export market in 2025—previously outside the top 10. Many Taiwanese fastener firms have invested there, too, forming clusters blending Taiwanese and foreign capital. For Taiwan, Vietnam isn't just a rival but a supply chain reconfiguration node, potentially evolving into a complementary model where Taiwan provides tech enablement and Vietnam provides scales capacity.

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**Table 5. Turkey's Export Performance Over the Past 5 Years**

Unit: USD 100 million

Ranking	Country	H1 2023	H2 2023	H1 2024	H2 2024	H1 2025	YoY Change
0	Global	7.7	9.4	8.7	8.3	8.8	3.4%
1	Germany	2.3	2.9	2.8	2.7	2.8	4.5%
2	USA	1.0	1.0	0.7	0.6	0.6	-12.2%
3	France	0.3	0.5	0.5	0.5	0.6	14.5%
4	UAE	0.1	0.1	0.1	0.1	0.3	59.6%
5	Italy	0.3	0.4	0.3	0.3	0.3	0.7%

**Table 6. Vietnam's 2025 Export Performance**

Unit: USD 100 million

Ranking	Country	H1 2023	H2 2023	H1 2024	H2 2024	H1 2025	YoY Change
0	Global	5.9	7.3	5.6	5.8	7.6	6.4%
1	Germany	0.9	1.4	0.9	1.0	1.4	12.5%
2	USA	1.2	1.4	1.2	1.0	1.1	-1.7%
3	Japan	0.8	0.9	0.8	0.8	0.4	-18.1%
4	Canada	0.3	0.3	0.2	0.2	0.4	5.3%
5	France	0.1	0.1	0.1	0.1	0.3	32.5%
6	Taiwan	0.1	0.1	0.1	0.1	0.2	22.8%

### Conclusion

The 2025 performances of these competitors go beyond mere export fluctuations; each embodies distinct threat profiles. China and Vietnam continue pressuring Taiwan via price and supply chain substitution—China with its scale, policy backing, and low-cost stability; Vietnam leveraging EVFTA, CPTPP, RCEP, and FDI factory booms to rapidly scale exports. India and Thailand deserve special vigilance from Taiwan, as they're not mere low-cost players but evolving into foreigner-led, end-market-driven local manufacturing bases—India boosted by "Make in India" and PLI policies, Thailand anchored by long-term Japanese auto clusters. In contrast, Turkey—despite its Eurasian hub and EU customs union perks—focuses on European nearshoring, posing less direct rivalry to Taiwan. The real long-term squeeze comes from Asian peers with FTA edges, end-use support, and pricing flexibility. A decade ago, Taiwan was benchmarked against Japan and South Korea. Today, they highlight a core issue: Without robust domestic auto, machinery, or electronics end-markets, even a strong fastener industry struggles to achieve the tech upgrades and spec leadership that Japan and South Korea have enjoyed through strong domestic demand.

**For Taiwan's fastener sector, 2026 isn't about economic recovery—it's a pivotal year for repositioning with clients.** Short-term strengths like quality stability, delivery management, dies expertise, and mid-to-high-end trust remain intact, averting immediate displacement. But clinging to standard products risks dual squeezes: Chinese/Vietnamese price erosion and Indian/Thai substitution as they capture FDI orders.

**Taiwan's fastener strategy for 2026 should center on "Becoming a highly reliable guardian":** First, **fortify mid-to-high-end markets in auto, machinery, engineering, and specialty applications to minimize price competition.** Second, address the lack of end-market pull by proactively linking to EV, aerospace, semiconductor equipment, and energy engineering scenarios—**becoming a solution partner rather than just a fastener and part supplier.** In essence, 2026 isn't about chasing volume; it's about proving Taiwan can upgrade from high-quality maker to trusted key supply chain ally. ■