Taiwan CSC's Q3 2026 Production & Sales Conference

TIFI Chairman Yung-Yu Tsai: Taiwan Fastener Industry Needs to Move Beyond a Price-Competition Mindset

TIFI Chairman Yung-Yu Tsai

Following Taiwan CSC's NT$1,000 per ton adjustment to bar and wire rod prices (for low-carbon, medium-to-high-carbon, cold-drawn, and low-alloy grades) in Q2 this year, the latest Q3 wire rod list prices have been also announced by mid-June (an NT$1,000 increase per ton). This May, Taiwan's fastener exports to 89,000 tons (compared to approximately 363,000 tons in Jan. to Apr. this year, a YoY decrease of 11.15%). Coupled with the 50% tariffs imposed under U.S. Section 232 and the soaring raw material costs resulting from the indirect impact of the Strait of Hormuz blockade, these factors have led participating manufacturers to pay particular attention to the trend of Taiwan CSC's Q3 wire rod pricing. However, TIFI Chairman Yung-Yu Tsai specifically reminded industry reps that **the real challenge currently facing Taiwan fastener industry is not who can sell at the lowest price; rather, the future growth opportunities for the industry lie in the value that manufacturers themselves can create for their customers.** The conference also invited reps from InvestTaiwan of the Ministry of Economic Affairs (MOEA) to brief industry participants on the Taiwanese government's 3 latest investment subsidy programs: the "Action Plan to Welcome Taiwanese Businesses Back to Invest in Taiwan," the "Action Plan to Accelerate Investment by Enterprises Rooted in Taiwan," and the "Action Plan to Accelerate Investment by SMEs." These initiatives will provide critical support to companies interested in investing in Taiwan and accelerating their upgrading and transformation.

Overview of the Global Economy, Steel Market, and Bar, Wire, and Fastener Markets

Data show that while **Q1 2026 GDP across various countries has been robust and manufacturing activity continues to expand, factors such as oil price, inflation, logistics uncertainties, and tariffs may dampen**

growth momentum in Europe and the U.S. in the future. Looking at global Q1 performance, U.S. growth was primarily driven by infrastructure spending and AI; Europe remained flat due to high energy costs; China benefited from stable exports; Japan saw steady export performance; and Southeast Asia maintained a GDP growth forecast of 4.6%; In the steel market, global steel demand is projected to reach 1.724 billion tons in 2026 (with expectations of growth to 1.762 billion tons in 2027); short-term variables include trade barriers and the costs of coal and iron ore. There are signs of a decline in the scale of China's steel exports. In the new home and automotive markets, U.S. housing starts rose 4.8% YoY in April, while new car sales fell 6.0% YoY. European automobile sales in April rose 5.1% YoY; Taiwan's Q1 imports of bars and wire totaled 196,000 metric tons, up 3% YoY. Exports of screws and nuts for the first 4 months of this year reached 373,300 metric tons, down 11.5% YoY, with an average unit price of US$3.67/KG, up 7.3% YoY.

Taiwan's Value Isn't About Competing on Price and Volume: Seize the Opportunity at This Year's IFE in Phoenix


Chia-Cheng Lee, VP of Commercial Division

The Essence of Taiwan Lies in a "Sense of Trust"

Faced with intense market competition, the removal of the 20% U.S. tariff on fentanyl exports from China, and rising costs of raw materials due to the appreciation of NTD, many industry players believe that cutting prices to win orders is the way to regain market share. However, Chairman Tsai does not believe this is a long-term strategy for the development of Taiwan fastener industry. He pointed out that the current wave of price increases is far less severe than the impact caused by the previous surge in shipping costs. If overseas customers did not strongly object at that time, why do Taiwanese manufacturers now need to compete on price to boost volume? Especially as various adverse factors, such as labor shortages in Taiwan, impact the development of the fastener industry, the key is to focusing on how to help customers recognize the irreplaceable value that sets Taiwan apart from its competitors. If companies merely rush into investments to meet customers' "extra operation outside Taiwan and China" demands, it could ultimately lead to a dead end. Chairman Tsai emphasized that engaging in direct price wars with competitors from emerging economies is fundamentally pointless, as Taiwanese companies simply cannot compete on price. Instead, **the "sense of trust" they provide to customers is the most irreplaceable value Taiwanese manufacturers offer.** In particular, given that Taiwan fastener industry has a longer history than those of China or Vietnam, with master craftsmen boasting 20 to 30 years of experience being a common sight, it is simply unreasonable to compare the products they create with those of competitors on a price-only basis.

Are You Doing a Good Job Managing Customer Relationships?

In this age of advanced IT, many manufacturers often rely on a few phone calls and emails to quickly process customer orders. Chairman Tsai believes that **face-to-face communication and building a rapport with customers are the keys to ensuring a steady stream of orders. The upcoming IFE in October represents the best opportunity for Taiwan fastener industry to consolidate and develop client relationships and strengthen those ties.** TIFI will also increase the number of exhibition booths to 12 and open up space for the fastener industry members who do not secure their booths to display catalogs, play company videos, and even invite key buyers. Chairman Tsai noted that capitalizing on the opportunities presented by U.S. President Trump's policy to expand domestic demand, coupled with exhibition and marketing subsidies of NT$20 million each from the ITA (MOEA) and the Kaohsiung City Government, represents a once-in-a-lifetime opportunity for Taiwan fastener industry. Furthermore, if a fastener company's clients are particularly influential, TIFI may be able to coordinate with ITA to provide subsidies to invite them to attend the exhibition.

Taiwan's Quality Still Leads That of Its Emerging Competitors

In the past, when European and American customers encountered quality issues with fasteners sourced from suppliers in China and other countries, the suppliers' solution was not to recall and destroy the products but to simply ship a new batch. Does this mean there is a risk that substandard inventory could enter the market, leading to more customer complaints? Chairman Tsai believes that not only Taiwan fastener industry but also overseas buyers should recognize that Taiwan's supply chain remains irreplaceable compared to competitors in other emerging economies when it comes to providing fasteners of assured quality. If buyers simply insist on forcing Taiwanese manufacturers to lower prices, high-quality Taiwanese fasteners will eventually be driven out of the market. This scenario, where "bad money drives out good," benefits neither party. **Especially with operating costs like steel and electricity prices continuing to rise, there is no reason why fastener prices shouldn't increase!** Taiwanese fastener manufacturers must also clearly recognize that if price were the sole issue, why are fastener factories in developed countries still operating normally? With a global population of billions, the demand for fasteners remains constant, and the economic outlook for next year is expected to gradually improve. The key lies in whether manufacturers can demonstrate their true value. When orders are slow, they must be even more proactive in expanding their reach, as that is where the opportunities lie. ■