

Impact Analysis of the US-Israel-Iran War on Taiwan Fastener Industry (Part 2)-

Change and Transformation in the Face of Adversity

(Note: Part 1 of this article has been published in Fastener World Magazine May issue, 2026, p.243)

01 Intro

A New Game in Which Geopolitical Effects Have Become the Norm

The article (part 1) analyzed the impact of the U.S.-Iran conflict on the Strait of Hormuz and the global shipping system, as well as on transportation costs and delivery schedule stability. It examined disruptions to maritime and land transportation in the Middle East, rising energy prices, and the risk of supply chain disruptions, along with changes in fastener demand in the Middle Eastern and European markets before and after the war. As of June of this year, U.S.-Iran negotiations remained deadlocked. The short-term conflict has gradually crystallized into a pattern of long-term geopolitical confrontation, indicating that regional markets are shifting from stable growth to a state of high uncertainty and structural reorganization.

Global shipping insurance risks and risks associated with the Red Sea and Middle Eastern shipping routes remain high. Consequently, Taiwan's fastener industry continues to face pressures such as rising raw material costs and order volatility. As geopolitical risks become the new normal and customers place greater emphasis on supply chain security, supply chain shortening and localization have become prevailing trends; a purely export-oriented model is no longer sufficient to navigate these changes. Therefore, this article will explore market strategies in the Middle East during and after the conflict, the restructuring of European supply chains, and the new positioning of Taiwan's fastener industry amid the global supply chain restructuring.

02 The Trend Toward Shorter Supply Chains and Localization Caused by the War

Table 1 lists the top three importing countries in the Middle East in 2025 and the main fastener suppliers to the warring nations. **Against the backdrop of escalating conflict in the Middle East and increasing global logistics risks, supply chains are shifting from a long, intercontinental model toward a structure characterized by "shorter chains" and "localization."** Based on data from the Middle East's major importers in 2025, Turkey's primary fastener suppliers were Germany (20.6%), China (15.8%), and the U.S. (10.2%); Saudi Arabia, the UAE, and Iran, meanwhile, relied heavily on China but were also diversifying their supply sources to include India, the U.S., and neighboring countries to mitigate war-related risks. Due to the impact of the conflict, Israel and Iran concentrated their supply sources on specific countries. For example, Iran's dependence on China reached 60.8%, and its supply chain was showing trends toward contraction and politicization.

Table 1. Top Three Importing Countries in the Middle East in 2025 and the Main Fastener Suppliers to the Warring Nations

(Unit: US\$0.1 bn; %)

Importer		Supplier-1	Supplier-2	Supplier-3	Supplier-4	Supplier-5	Supply from Taiwan
Turkey	Import Origin	Germany	China	USA	Italy	France	Ranking: 7
	Import Value	1.50	1.15	0.74	0.70	0.65	0.28
	Import Share	20.6%	15.8%	10.2%	9.6%	9.0%	3.9%



(Unit: US\$0.1 bn; %)

Importer		Supplier-1	Supplier-2	Supplier-3	Supplier-4	Supplier-5	Supply from Taiwan
Saudi Arabia	Import Origin	China	India	USA	UAE	Germany	Ranking: 6
	Import Value	2.45	0.60	0.46	0.41	0.39	0.32
	Import Share	39.3%	9.7%	7.3%	6.6%	6.3%	5.1%
UAE	Import Origin	China	USA	Germany	India	Japan	Ranking: 8
	Import Value	2.08	0.61	0.45	0.37	0.27	0.18
	Import Share	40.3%	11.8%	8.8%	7.2%	5.3%	3.5%
Israel	Import Origin	USA	China	Germany	Taiwan	Switzerland	N/A
	Import Value	0.69	0.46	0.14	0.11	0.08	N/A
	Import Share	36.8%	24.7%	7.7%	6.0%	4.1%	N/A
Iran	Import Origin	China	UAE	Taiwan	Turkey	Germany	N/A
	Import Value	0.45	0.14	0.05	0.04	0.01	N/A
	Import Share	60.8%	18.9%	7.0%	5.4%	1.8%	N/A

Table 2 lists the key suppliers to Europe's major fastener importing countries in 2025; the European market was also showing a trend toward supply chain restructuring. Germany's import sources were diversified across China (12.9%), Italy (12.4%), and Taiwan (11.6%), indicating that it continued to pursue globalized procurement while maintaining regional supply flexibility; Germany and the UK had a relatively high dependence on China (approximately 21%), but intra-European self-sufficiency (e.g., in Germany and Italy) also accounted for a significant share. In particular, Poland and Italy relied heavily on European sources

(e.g., Germany accounted for 29.9% and 27.2%, respectively), indicating that Eastern and Southern Europe were embracing the trend toward supply chain localization. The war shifted companies' focus from pursuing the lowest costs to prioritizing supply security and stable delivery times. The Middle East market was trending toward "diversification and regional prioritization" driven by risk mitigation and geopolitical considerations, while Europe was accelerating the trend toward "regional integration and nearshoring" characterized by shorter supply chains and localization.

Table 2. Key Suppliers to Major European Fastener Importers in 2025

(Unit: US\$0.1 bn; %)

Importer		Supplier-1	Supplier-2	Supplier-3	Supplier-4	Supplier-5
Germany	Import Origin	China	Italy	Taiwan	USA	Turkey
	Import Value	6.29	6.02	5.62	2.95	2.92
	Import Share	12.9%	12.4%	11.6%	6.1%	6.0%
France	Import Origin	Germany	Italy	USA	Taiwan	China
	Import Value	4.27	3.07	2.20	1.60	1.55
	Import Share	21.1%	15.2%	10.9%	7.9%	7.7%
UK	Import Origin	China	USA	Taiwan	Germany	Italy
	Import Value	3.27	2.13	1.88	1.84	1.38
	Import Share	21.3%	13.8%	12.2%	12.0%	9.0%
Poland	Import Origin	Germany	China	Italy	USA	Taiwan
	Import Value	4.35	1.75	1.10	1.03	0.92
	Import Share	29.9%	12.0%	7.6%	7.1%	6.3%
Italy	Import Origin	Germany	China	Taiwan	USA	France
	Import Value	3.46	2.62	0.90	0.60	0.57
	Import Share	27.2%	20.6%	7.1%	4.7%	4.5%

03 Market Strategy A: Fastener Market Strategy in the Middle East During and After the War

Table 3 shows the categories of fasteners imported by major Middle Eastern importing countries and countries involved in armed conflicts in 2025; According to the import categories of fasteners for major importing countries and warring nations in the Middle East in 2025, the regional demand structure continued to be dominated by "steel screws and bolts," complemented by nuts, washers, and other fastener products. Demand for fasteners in the Middle Eastern market was centered on infrastructure, machinery and equipment, and maintenance projects. For example, Turkey's imports of screws and bolts were valued at around US\$303 million, while

Saudi Arabia's were US\$315 million, indicating that demand for standard fasteners in large economies remained stable and substantial.

Although Israel and Iran had smaller overall markets, their demand was still dominated by screws and bolts, reflecting the stability of basic maintenance and industrial demand even amid conflict or sanctions.



Table 3. Fastener Categories Imported by Major Middle Eastern Importing Countries and Those Involved in Armed Conflicts in 2025

(Unit: US\$0.1 bn; %)

Importer		Category-1	Category-2	Category-3	Category-4	Category-5
Turkey	Imported Item	Iron and steel screws and bolts	Iron and steel nuts	Iron and steel non-threaded articles	Iron and steel threaded articles	Iron and steel washers
	Import Value	3.03	1.60	0.79	0.48	0.43
Saudi Arabia	Imported Item	Iron and steel screws and bolts	Iron and steel threaded articles	Iron and steel non-threaded articles	Iron and steel washers	Iron and steel nuts
	Import Value	3.15	0.59	0.57	0.52	0.43
UAE	Imported Item	Iron and steel screws and bolts	Iron and steel threaded articles	Iron and steel nuts	Iron and steel non-threaded articles	Iron and steel washers
	Import Value	2.36	0.86	0.73	0.33	0.32
Israel	Imported Item	Iron and steel screws and bolts	Iron and steel nuts	Iron and steel non-threaded articles	Iron and steel non-threaded articles	Iron and steel washers
	Import Value	0.92	0.25	0.23	0.13	0.12
Iran	Imported Item	Iron and steel screws and bolts	Iron and steel self-tapping screws	Iron and steel nuts	Iron and steel washers	Iron and steel threaded articles
	Import Value	0.32	0.21	0.15	0.03	0.03

In wartime scenarios, demand for fasteners tends to be “oriented toward immediate repairs or reconstruction.” Due to damage to infrastructure and increased equipment maintenance needs, standardized fasteners that can be supplied quickly become the primary procurement items. At the same time, the procurement process will place greater emphasis on delivery times and supply stability rather than being purely price-driven. In particular, countries engaged in conflict, such as Israel, may see an increase in demand for high-strength or special-specification fasteners to support the maintenance of military and critical infrastructure.

As the post-war recovery phase begins, demand will shift toward “reconstruction and long-term investment.” Countries such as Saudi Arabia and the UAE, which were already actively promoting large-scale infrastructure projects, may increase their investments post-war, including in high-strength structural bolts and industrial-grade fasteners. Turkey, leveraging its manufacturing capacity and role as a transit hub, is poised to become a key node in the regional reconstruction supply chain. Meanwhile, Iran may unleash latent reconstruction demand once sanctions are eased.

04 Market Strategy B: The War Impacts the Resilience of Europe’s Fastener Supply Chain Structure

Table 4 shows the categories of fastener imports by major European importing countries in 2025. Although Europe is not a direct combat zone in the Middle East conflict, as a global hub for manufacturing and consumption, it will still face indirect impacts at the energy and supply chain levels, thereby accelerating the restructuring of resilient supply chains. Core markets such as Germany, France, and the UK all have a high demand for steel screws and bolts. Among these, Germany’s import value reached as high as US\$2.170 billion, far exceeding that of other categories. Due to the automotive and machinery industries’ heavy reliance on standard fasteners, overall demand in Europe remained centered on basic industrial applications and was characterized by both scale and stability.

However, against the backdrop of increased uncertainty caused by the war in the Middle East, Europe has gradually adjusted its procurement strategy. First, to mitigate the risks associated with long-distance transportation, Europe has begun to strengthen its regional supply capabilities. In particular, the role of Eastern European countries (such as Poland), where manufacturing costs are relatively low, has grown within the supply chain, driving the circulation and demand for fasteners within the region. Second, European customers are moving toward establishing a “multi-source supply system,” increasing the proportion of supplies from Europe and neighboring regions to avoid disruptions from a single source.

Table 4. Categories and Values of Fastener Imports by Major European Importing Countries in 2025

(Unit: US\$0.1 bn; %)

Importer		Category-1	Category-2	Category-3	Category-4	Category-5
Germany	Imported Item	Iron and steel screws and bolts	Iron and steel nuts	Iron and steel non-threaded articles	Iron and steel self-tapping screws	Iron and steel threaded articles
	Import Value	21.70	7.69	4.57	4.18	3.31



Importer		Category-1	Category-2	Category-3	Category-4	Category-5
France	Imported Item	Iron and steel screws and bolts	Iron and steel nuts	Iron and steel threaded articles	Iron and steel non-threaded articles	Iron and steel self-tapping screws
	Import Value	8.60	3.04	1.95	1.82	1.70
UK	Imported Item	Iron and steel screws and bolts	Iron and steel nuts	Iron and steel threaded articles	Iron and steel self-tapping screws	Iron and steel non-threaded articles
	Import Value	6.28	2.34	1.53	1.39	1.32
Poland	Imported Item	Iron and steel screws and bolts	Iron and steel nuts	Iron and steel self-tapping screws	Iron and steel non-threaded articles	Iron and steel threaded articles
	Import Value	5.50	2.29	1.57	1.32	1.02
Italy	Imported Item	Iron and steel screws and bolts	Iron and steel threaded articles	Iron and steel nuts	Iron and steel non-threaded articles	Iron and steel self-tapping screws
	Import Value	4.76	1.69	1.68	1.33	1.17

05 Conclusion: Transforming and Rebuilding Taiwan's New Global Position in the Fastener Industry Amid Adverse Conditions

Faced with geopolitical turmoil triggered by the U.S.-Israel-Iran war, soaring energy prices, and the risk of disruptions to global supply chains, Taiwan's fastener industry is at a turning point, transitioning from a traditional export-oriented model to one focused on regional and high-value-added supply. The following recommendations are offered for Taiwan's fastener industry:

a. Seizing Opportunities in Middle East Reconstruction and European Integration:

Regarding post-war reconstruction in the Middle East, given the stable demand for fasteners from major economies such as Saudi Arabia and the UAE, companies can target business opportunities in infrastructure development and machinery maintenance required for post-war reconstruction. Regarding European market integration, as Europe shifts toward "nearshoring" and elevates the supply status of Eastern Europe, companies should carefully evaluate establishing supply hubs linked to Europe's major fastener importing countries, thereby embedding Taiwanese products into Europe's resilient supply chains.

c. Carbon Reduction Measures:

Given that the European CBAM imposes stricter stability requirements on green products, manufacturers may consider using low-carbon steel wire developed by domestic upstream steel mills and employing scrap recycling technologies to strengthen their "green credentials" for entering the European market and leverage the competitive advantages of transitioning to a green premium.

b. Enhancing Supply Chain Agility and Resilience Through AI:

To address delivery schedule instability caused by war, we can implement AI predictive models to optimize inventory levels, ensuring that "delivery reliability"—a key procurement metric—is maintained even when transportation is disrupted. By digitally simulating production processes, we can quickly respond to real-time demands for high-strength or special-specification fasteners from countries involved in conflict, such as Israel.

d. Validation and Value-Added Strategies:

To meet the maintenance needs of military and critical infrastructure in countries such as Israel, manufacturers should seek validation for aerospace and defense-grade high-strength fasteners, shifting from standard parts to specialized fasteners with high unit prices and high irreplaceability. In the European market, Taiwanese manufacturers should provide European companies with one-stop, high-specification solutions, establishing a diversified supply chain and a comprehensive portfolio of fasteners.

e. Cross-disciplinary Integration and New Product Development:

Future trends in fastener products include lightweight design, long-lasting corrosion resistance, and precision smart technology. Metal fasteners currently account for nearly half of the market share, but the pace of replacement by composite materials—such as aluminum, titanium, and magnesium alloys—is accelerating. Carbon fiber composite fasteners are also gradually being adopted in lightweight applications within the aerospace and new energy vehicle sectors. In terms of environmental performance, due to the global ban on Cr6+ coatings, eco-friendly coatings such as Teflon, zinc-nickel alloys, and Dacromet have become mainstream. The salt spray resistance of conventional products has been improved to over 1,000 hours, and restorative coatings help extend the service life of fasteners used in wind power and marine engineering by 30%. The following is an overview of fastener developments in various sectors:

1. New Energy Vehicles: As power batteries, electronic control systems, and battery-swapping technology become more widespread, demand is growing for specialized fasteners that offer high strength, excellent sealing performance, resistance to loosening, and a wide operating temperature range. Lightweight materials such as aluminum and titanium alloys—which can replace traditional carbon steel—are becoming a key focus of R&D.



2. Green Energy: Offshore wind power projects generate strong demand for large-diameter, high-strength bolts, and there is growing demand for fasteners capable of withstanding wind force of 10–12 and providing salt spray corrosion resistance for over 5,000 hours. Meanwhile, the expansion of wind turbine installations and the replacement of aging equipment are also driving growth in the market for related components.

3. Aerospace: By focusing on high-value-added fasteners to target the high-end market, the resumption of commercial aircraft production and the trend toward localization of defense manufacturing in various countries are driving demand for high-end fasteners such as titanium alloys and superalloys, whose unit prices far exceed those of ordinary fasteners.

4. Global Infrastructure: The resumption of infrastructure projects in Europe and the U.S., accelerating urbanization in Asia-Pacific such as China and India, and the launch of energy projects in the Middle East continue to drive demand for products such as high-strength structural bolts, embedded anchor bolts, and seismic fasteners.

5. Smart Fasteners: Fasteners equipped with RFID or QR codes can monitor preload, temperature, vibration data, and other parameters in real time. Micro-screws with micron-level tolerances are widely used in electronics and semiconductor equipment, as well as in the engineering machinery sector, including applications such as precision micro-fasteners for robot joints and hydraulic components.

f. Localized M&A and Enhanced Logistics Models:

Establish global regional hubs and evaluate the feasibility of setting up distribution warehouses or assembly facilities in Europe or the Middle East, or acquiring local distributors to replace long-distance transportation with localized solutions. Regarding logistics routes, to address the long-term risk of a blockade of the Strait of Hormuz, companies should establish diversified sea-air intermodal transport models and use flexible pricing to offset the impact of fluctuations in ocean freight and insurance costs. ■

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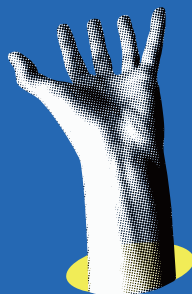
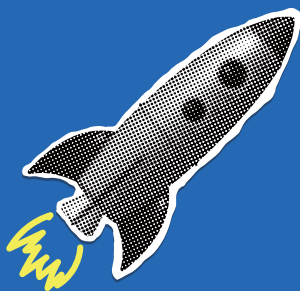
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