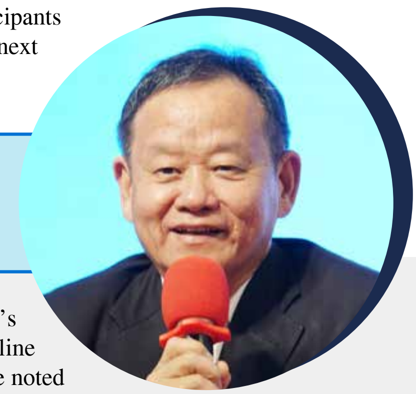
Taiwan CSC Q4 2026 Meeting with Fastener Manufacturers:

Pull Through 2 Years for the Next Turn of Tides

Against a backdrop of weak global demand, continued supply chain disruptions driven by U.S. policies, and renewed increases in raw material and energy costs, Taiwan Industrial Fasteners Institute (TIFI) and Taiwan CSC held the meeting on August 25 at a restaurant in Kaohsiung City in Taiwan. Industry participants focused on one question: how to weather the turbulence of the next two years and prepare for the next market recovery.

"Don't Sacrifice Prices Just to Win Orders"

— Chairman Yung-Yu Tsai



TIFI Chairman Mr. Yung-Yu Tsai said that with the global economy remaining sluggish, Taiwan's fastener industry has entered an "L-shaped economy" in recent years characterized by a sharp decline followed by a prolonged period of stagnation, with export weight falling by around 10%. However, he noted that reaching the bottom also means that "the worst is probably behind us, and things will continue to get better."

He believes that the biggest variable at present remains to be the U.S. and the policies of President Donald Trump. **"We have to look further ahead and think about where the opportunities for a global economic recovery will emerge after Trump's term ends—that is, after the turbulence and crises have passed." He stressed that weathering the next two years will be critical to the survival of Taiwan's fastener industry. Major global construction and infrastructure demand may emerge again by then, and Taiwanese companies should prepare in advance.**

Tsai also called on Taiwan CSC to support exporters with more competitive wire rod prices, while urging companies to reassess their operational resilience amid rising interest rates, labor shortages, and electricity costs. He emphasized, "Whether we raise or cut our prices, if overseas buyers are not going to buy, they simply won't buy." Rather than sacrificing prices to win orders, companies should focus on increasing product added value and prioritize long-term business sustainability. He remains optimistic about the industry's future, stating that **"U.S. orders will eventually return to Taiwan."**

Regarding labor shortages, Taiwan's manufacturing sector is currently subject, in principle, to an overall 50% foreign-worker employment cap. Tsai suggested that Taiwanese companies consider hiring foreign graduates. Qualified graduates may obtain work permits under the relevant schemes and generally do not occupy the quota allocated for ordinary migrant workers in manufacturing, although they are still included when calculating the employer's overall foreign-worker employment limit.

Export Weight Declines, but Unit Prices Continue to Rise

The latest figures released at the meeting showed that **Taiwan exported 264,215 tons of fasteners worldwide in the Q2 2026, representing a decline of approximately 10%. From January through July this year (*Table 1*), total export weight reached 665,900 tons, down around 11%. While export weight of major fastener categories generally declined, export unit prices remained positive, with the average unit price rising by approximately 5% to US$3.66 per kilogram.** Exports to the U.S. totaled 294,500 tons, down approximately 15%, while the average unit price increased by nearly 4% to US$3.46 per kilogram. These figures reflect continued market recognition of the quality and value of Taiwanese fasteners.

Table 1. Taiwan Fastener Exports, January–July 2026

Source: Taiwan Industrial Fasteners Institute

Product	Change in Export Volume (%)	Change in Export Unit Price (%)
Wood Screws	-16.07	+2.29
Self-Tapping Screws	-7.18	+0.31
Bolts	-14.31	+7.25
Nuts	-2.39	+1.75

By destination market (***Figure 1***), Taiwan exported 280,008 tons of fasteners to the U.S., accounting for 43% of total export weight and representing a 14.07% decline. Exports to Germany reached 56,397 tons, accounting for 9% of total exports and declining 17.83%. In contrast, exports to India grew by 7.08% to 7,502 tons, accounting for 1.16% of total export weight, highlighting the **emerging demand potential of the South Asian market.**

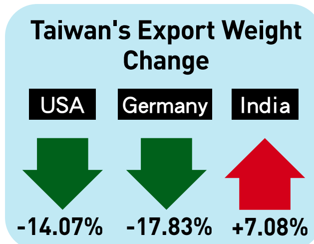
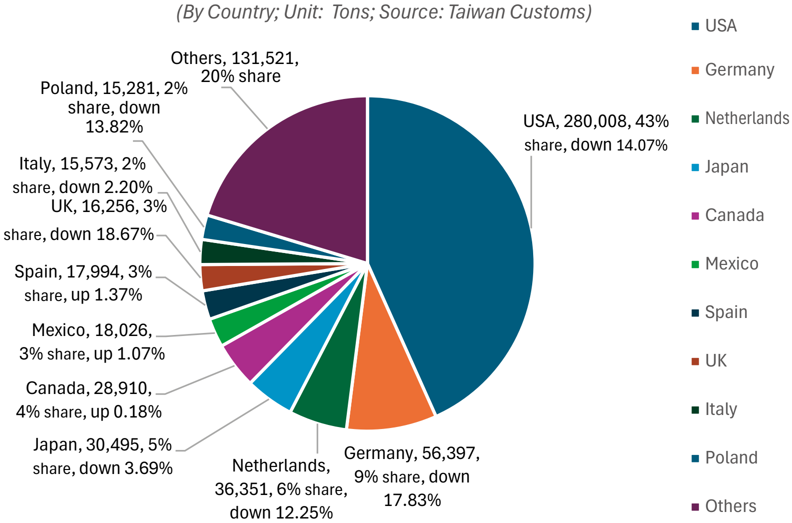


Figure 1. Taiwan's Fastener Exports, January–July 2026

(By Country; Unit: Tons; Source: Taiwan Customs)



On the materials side, Taiwan CSC's wire rod imports totaled 300,557 tons from January through July this year, up 1%. The top 3 sources were Indonesia, South Korea, and China, which together accounted for 79% of total imports. The major imported grades were low-carbon steel and alloy wire rod, accounting for 82%.

Taiwan CSC Vice President (Commercial Division) Mr. Chia-Cheng Lee pointed out that declining export weight combined with rising unit prices demonstrate the quality advantage of Taiwan's fasteners. However, the industry will also face structural challenges from an aging workforce and Taiwan's declining birth rate. With the renewed tariff conflict between Canada and the U.S., some Taiwanese companies have reportedly found it difficult to secure orders from Canada. Taiwan CSC is also facing rising costs. Lee said the U.S.-Iran war has pushed oil prices higher, while a mining accident in China drove international coking coal prices up by US$50, increasing Taiwan CSC's coal procurement costs by nearly NT$1,000. These factors will all be taken into consideration when determining wire rod prices for the fourth quarter. He also said that the government should expand fiscal spending to help the fastener industry overcome the current difficulties.

Director General Jack Su: "There is No One-Size-Fits-All Answer"

Jack Su, Director General of Taiwan Shan Yin International, said the key words describing the global situation in recent years are "change" and "disorder." Faced with uncertainties stemming from Trump's policies and the U.S.-Iran war, **the most important task for companies today is to "rely on themselves to stay alive" while reassessing their internal resources and strengths. He believes companies should first identify a clear break-even point and reassess the sales volume they need and the market strategies they should adopt.** "There is no standard answer." Every company has different circumstances, and no standardized strategy can apply to everyone. Instead, each business must find its own solution for survival. Because wire rod accounts for a significant proportion of fastener manufacturing costs, Su also called on Taiwan CSC to set wire rod prices at levels that support Taiwan's fastener manufacturers in maintaining their export competitiveness.

Beyond CBAM, Compliance Pressures Continue to Mount

A Taiwanese construction screw trader pointed out that, in addition to market and cost pressures, Taiwanese companies are facing uncertainty surrounding CBAM. **Although the government has provided numerous CBAM-related courses and companies have actively worked to absorb and implement the relevant information, many European importers themselves have yet to fully understand the details and future direction of CBAM. The market therefore remains highly uncertain. In addition, the EU's Packaging and Packaging Waste Regulation (PPWR) has come into effect since August.** Manufacturers, brand owners, and packaging suppliers exporting to the EU must incorporate requirements concerning waste reduction, recyclability, recycled materials, and reuse into their supply chain management. The trader noted that Taiwanese companies will still need time to adapt. This demonstrates that international regulatory requirements will only continue to increase, making "compliance" a critical strategic consideration for long-term business sustainability.

From a market perspective, the global steel market remains oversupplied, while the recovery of U.S. housing starts and new vehicle sales remains insufficient. Europe's recovery is progressing slowly, and China's weak domestic demand continues to weigh on its economy. In contrast, India, Vietnam, and Indonesia are forecast to achieve GDP growth rates of 6.4%, 7.2%, and 5.2%, respectively, this year, indicating stronger growth potential in South and Southeast Asia.

Although the current downturn may not yet be over, this does not necessarily mean that Taiwan's fastener industry faces a bleak future. Taiwanese companies have already invested in production facilities in China and Southeast Asia, enabling them to supply part of their fastener capacity to overseas markets locally. Overall, Taiwan's fastener supply remains highly stable. The message conveyed at this meeting was clear: **over the next 2 years, Taiwan's fastener industry must prioritize survival before pursuing growth.** At the same time, Taiwan CSC plays a crucial role in the development of Taiwan's fastener industry. As wire rod accounts for a high proportion of fastener manufacturing costs, Taiwanese fastener companies need strong support from Taiwan CSC in terms of wire rod pricing as they pursue industrial upgrade and transformation to enhance their export competitiveness. In this sense, the industry simply cannot do without Taiwan CSC.

Taiwan CSC is also working intensively to develop lower-carbon steel products that can help manufacturers strengthen their future cost advantages. As the industry continues to develop and evolve in response to CBAM, it would further enhance Taiwan's fastener export competitiveness if Taiwan CSC could consider allowing the import of a certain volume of foreign low-carbon steel for use by Taiwanese manufacturers without imposing anti-dumping duties. Building on this foundation, Taiwanese companies can better maintain reasonable profit margins, strengthen their internal capabilities, control costs, enhance product value, and invest in energy efficiency, carbon reduction, talent development, and regulatory compliance. When global markets eventually emerge from the current turbulence, the companies that are truly prepared will be in the best position to capture the next wave of orders and growth opportunities. ■