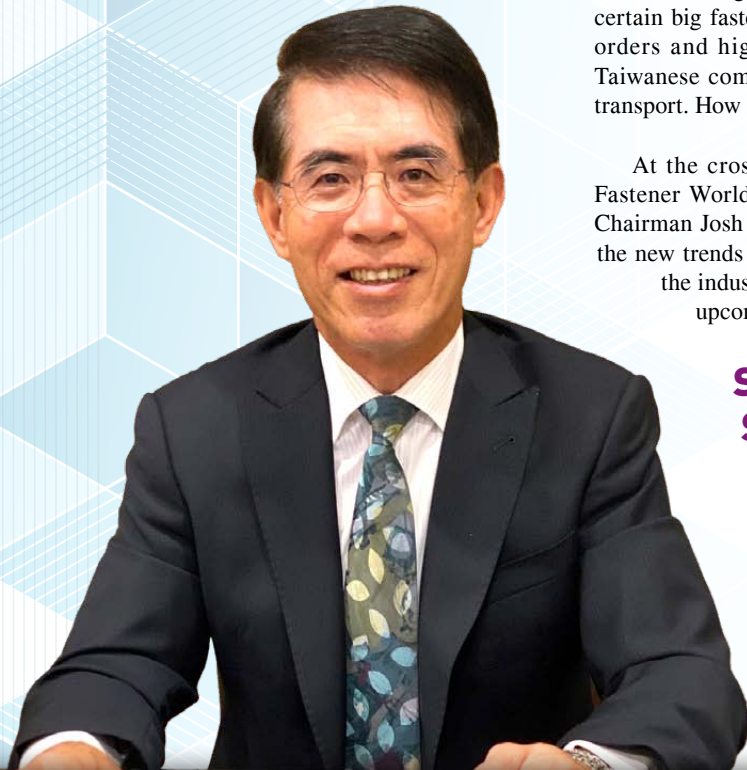


Finishing 2021, many countries have forecast a positive outlook for a vibrant market in 2022. This is especially true for Taiwan. Following the sales hike last year, order books are full up to 2022 in Taiwan's manufacturing sector, and full up to the first half of 2022 so far for certain big fastener companies in Taiwan. However, behind the heaping orders and high numbers lies an unprecedented cost challenge for Taiwanese companies, coupled with concerns over labor shortage and transport. How should these companies react?

At the crossing point where a year ends and a new year begins, Fastener World invited TFTA (Taiwan Fastener Trading Association) Chairman Josh Chen for a special interview. The chairman talked about the new trends in Taiwan in the COVID era. He offered suggestions for the industry to tide over the challenges in the new year, and shared upcoming activities of TFTA with all of us.

Stabilizing Revenues and Spreading out Risks is the Priority

“In 2020, we had nowhere to take orders from. In 2021, we did see hordes of orders pour in, but there was no way to know when we could ship out the products,” said the chairman who opened up about a feeling echoed among Taiwanese fastener business owners. The plus side is the overwhelming international demand for Taiwan's fasteners, countered by concerns in reality



Annual Special Interview:

TFTA Chairman Josh Chen on the Trends and Challenges of Taiwan Fastener Industry



by Dean Tseng, Fastener World

over congested harbors and other transport barriers. Production is in full swing with Taiwanese fastener companies, but still they have to wait until they can find a cargo ship available for shipping out their products.

Coupling with transport barriers is another challenge which is surging shipping rates. “We learned that forward prices are literally on par with spot prices, and I figure shipping rates will continue to hike.” Come to think

>> 2021 Annual Member Representatives Assembly



of it, orders have increased, and so have the shipping rates, and another thing that the companies have to deal with is increased minimum wage. Revenue and profit margins are compressed as such and become a huge burden to small and medium companies, so how should they take on this challenge?

The chairman suggested based on his experience that they should know and focus more on the world's development. **“Our priority now is to stabilize the revenues and profits we currently have. On another note, this pandemic that we are up against is not a two-year or three-year thing. Now is not the easiest time to find new suppliers, so more than ever we have to keep close with downstream partners.”**

He added: **“To my knowledge, lately many overseas suppliers are inclined to purchase from local manufacturers and avoid paying exorbitant rates unless necessary.”** Clearly, spreading out risks is a dire task for companies in many countries and an important point to note for Taiwanese companies.

Positive Growth Prospect for TFTA; Number of TFTA Members Grows in Double Digits

The chairman said TFTA has the support from all members and has increased 13 member companies that raise the total sum

to around 300 members, including fasteners, heat treatment, electroplating and packaging companies.

The pandemic is still here to stay but that doesn't mean putting a stop to the association's activities. The chairman said he had completed the third directors and supervisors meeting in a video conference. Furthermore, he has been in touch with overseas fastener associations, even to the point that he sent masks to the associations in the U.S. and Europe to facilitate Taiwan's diplomatic ties with those countries as a citizen. An embodiment of strong bonding between Taiwan and overseas fastener associations.

TFTA Spring Gala Coming up in February 2022

Throwing back to the important activities by TFTA in 2021, in April they held a talk session with fastener business successors as well as a gathering of Northern Chapter members, in October was a factory tour at Ching Chan Optical Technology, and in November was the annual member representatives assembly. Apart from gatherings, the association opened training courses at MIRDC in the third and fourth quarter of 2021. The association worked with MIRDC on a fastener forming/heading course and a fastener threading



>> Fastener Business Successors Convention

course on January 6, 2022. The chairman revealed the spring gala will come up in February 2022 and he is looking forward to meeting the members again.

Ending the interview, the chairman expressed his thank-you for the members' support in his second term. He has a lot to expect and envision for his new term. **“In the new era after the onset of COVID, TFTA will help bridge the collaboration between members and their clients via videoconferencing. These two years the Taiwanese market is prevailed by the electronics and semi-conductor industries. Many talents are entering the technology sector and it has raised the hurdle of recruiting talents into the conventional manufacturing sector. We are planning to upgrade our training courses by seeking out universities and colleges to facilitate collaboration among the government, fastener industry and the academia, so we can attract more talents to the fastener industry.”** ■

