



Taiwanese Fastener Suppliers' Challenges and Strengths After the EU Repealed the AD Duties Against Certain Chinese Fasteners

Introduction

European fastener manufacturers are understandably deeply concerned about these developments, as are many importers holding substantial inventory likely to be devalued by the abrupt re-entry of China to the EU market. The European Industrial Fasteners Institute, representing fastener makers, has urged members to energetically lobby against the repeal of anti-dumping duties on the basis that this would be extremely damaging to their businesses.

Comparing Chinese Fastener and Taiwanese Fastener Industries

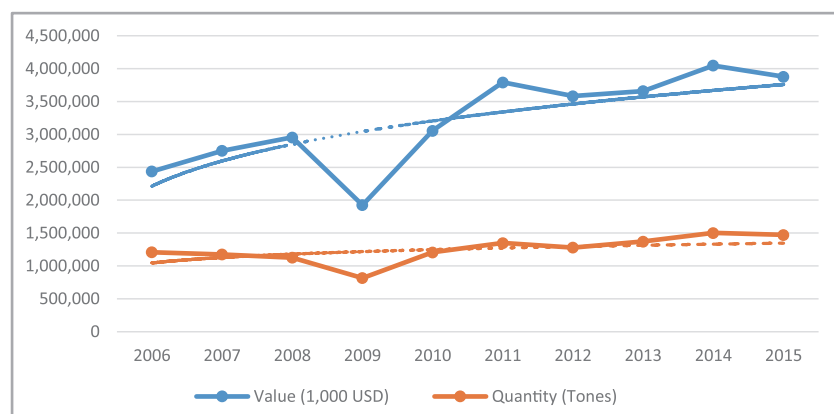
The trend of Taiwanese exported fasteners has increased since 10 years ago up to now. It means the anti-dumping law helps the Taiwanese suppliers to find new markets when their access to Western market is limited.

Comparing Unit Prices Between Taiwan and China

Taiwanese fasteners are 50% more expensive than Chinese fasteners. It means in the whole world Chinese suppliers position themselves through cheap fasteners; therefore, it does not work for Taiwanese suppliers. Why? Marketing is a war between companies, and the war field is in the mind of consumers. When a group of suppliers occupy a position in the mind of consumers it is very difficult for the 2nd group to allocate this position to themselves, so China is cheap but not Taiwan. The second reason is that Taiwanese prices are cheaper than Western suppliers but they are more expensive than Chinese suppliers. In a simple word, they are not really cheap.

		2006	2007	2008	2009	2010
Taiwan Exported Fasteners to the World	Value (1,000 USD)	2,438,394	2,752,248	2,954,693	1,925,975	3,054,911
		2011	2012	2013	2014	2015
		3,792,356	3,582,020	3,659,608	4,048,077	3,877,010
	Quantity (Tons)	2006	2007	2008	2009	2010
		1,208,760	1,174,295	1,125,522	816,669	1,206,422
		2011	2012	2013	2014	2015
	1,347,773	1,278,586	1,371,124	1,501,719	1,470,992	
Value/Tons	2006	2007	2008	2009	2010	
	2.02\$	2.80\$	2.63\$	2.36\$	2.53\$	
	2011	2012	2013	2014	2015	
	2.81\$	2.80\$	2.67\$	2.70\$	2.64\$	

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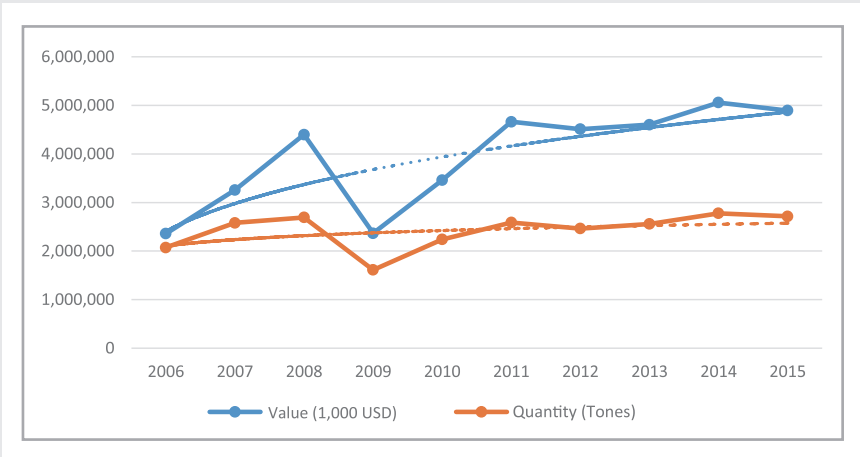
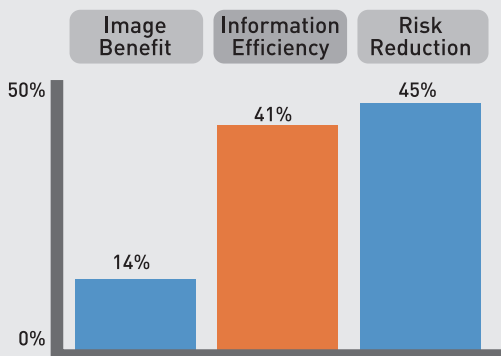
What are Taiwanese Suppliers' Challenges?

Opening the Western countries market does not mean more costumers for Taiwanese suppliers because of the following challenges:

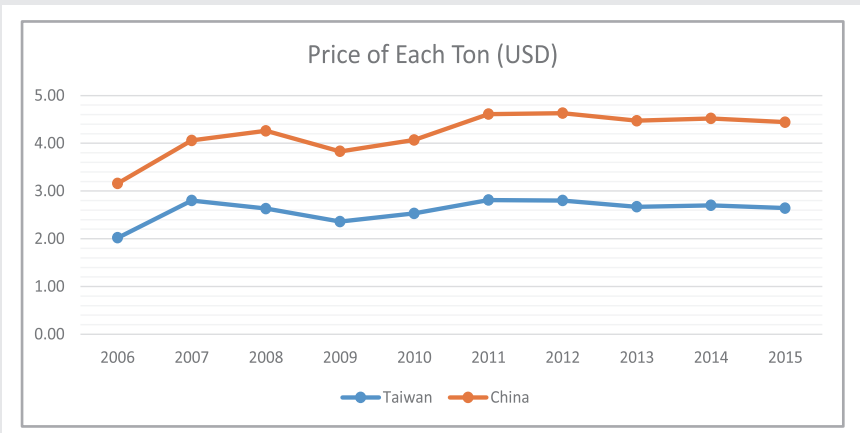
A- Creating a new position:

Taiwanese fastener suppliers have to make a new position for themselves in the mind of Western buyers. How? Most of fastener manufacturers' consumers are from other business. In a simple word, fastener business is a B2B business, and if a company wants to make a position for itself, it should consider Philip Kotler's book on "B2B brand management". In this book Prof. Kotler mentions three factors that may improve the market of a B2B business. They are:

- 1- Risk Reduction: To reduce risks involved in the buying process is especially important when buying complex high-profile products.
- 2- Information Efficiency is of particular importance for the purchase of very complex and capital-intensive items and systems.
- 3- Image Benefit: The importance of added value is the highest for being publicly visible.



Value/Tons	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Taiwan	2.02\$	2.80\$	2.63\$	2.36\$	2.53\$	2.81\$	2.80\$	2.67\$	2.70\$	2.64\$
China	1.14\$	1.26\$	1.63\$	1.47\$	1.54\$	1.80\$	1.83\$	1.80\$	1.82\$	1.80\$
Taiwan/China	77.2%	122.2%	61.3%	60.5%	64.3%	56.1%	53%	48.3%	48.3%	46.7%



The percentage in the above graph shows the importance degree of each item for a B2B business, and a companies is a mixture of the above three parameters. Some features like, price, quality, delivery time, technology advantages, know-how are in the risk reduction section.

B2B

Brand image is like the naming, mantra or visual identities, etc. Most Taiwanese companies use their Chinese names that are difficult to pronounce or abbreviations that are not memorable.

Normally, Taiwanese companies work in traditional ways, and therefore, the information does not exist to transfer to the buyers, and few modern companies do not like to transfer the information to the outside of their factories.

B- Change is a difficult process. Taiwanese fastener suppliers should work on their positions and be patient for entering the new markets.

What is the Taiwanese Fastener Suppliers' Opportunities?

Although low price always tempts any buyer in the whole world, it means low quality, too. Therefore, the combination of low price and high quality can also be a strong leverage for suppliers to catch the mind of prospects. Taiwanese suppliers and TAITRA in the head of them can introduce Taiwanese fasteners as an "Economical long lasting fasteners" and this mantra can be a road map for Taiwanese fastener industry.

