

Taiwanese Government and Industries are One Step Ahead and Fully Prepared

The novel coronavirus is ferocious and ruthless. As of the end of this April, over 3 million people in the world have tested positive for COVID-19. Taiwan got the upper hand in taking American orders during the U.S.-China trade war last year. Facing the virus this year, the Taiwanese government works with industries and forms a national team to do their best to turn the biggest virus crisis into a stepping stone for Taiwan to leap forward. Taiwan adopts a 3-phase strategy in tackling the virus: “epidemic prevention, financial relief, and stimulus plans”. The key for Taiwan to effectively control the virus is taking preemptive prevention and deployment, keeping the virus outside the country even before it started to spread globally. What’s more important is the consensus on epidemic prevention among fastener and other industries in Taiwan working together to block any potential weakness by safeguarding manufacturing processes, monitoring personnel access, and fulfilling hygiene and crisis management in the advent of infections.

In this way, Taiwanese fastener industry and other pillar industries can remain intact under the threat of the virus and survive this catastrophic disaster. Experts claim this global pandemic has brought a disaster worse than SARS and the financial crisis. To contain the spread of the virus, the U.S., Europe and India strictly restrict human travel and corporate activities continue to decline. In contrast, the virus is well controlled in Taiwan and Taiwanese fastener industry can keep operating as normal. This is a rare advantage given the current global market condition! So far we have seen the American/Canadian/German senates and representatives, the Czech mayor, the Israeli Prime Minister, the Japanese Deputy Prime Minister, Bill Gates, Bloomberg, CNN, and even the iconic singer Barbra Streisand publicly affirm and praise Taiwan’s ability to prevent its epidemic. In times of hardship, we have to shine our light to the world!

As a good example, Taiwan shines its light through the midst of dismay with its mask donation, donating 10 million masks to aid countries in need. Taiwan increases its daily mask capacity from 1.8 million to 13 million pieces within 2 months and expects to reach 15 million pieces. Right now Taiwan is sending out the catch phrase: “Taiwan Can Help”. Within its capabilities to save both itself and others, Taiwan sends a portion of its masks to medical units in pandemic stricken countries. Taiwan found its light under the virus threat, and by the same token, Taiwanese fastener business owners should be able to come up with a new niche that enables Taiwanese fasteners to fill up the gaps in global fastener demand. Previously, Taiwanese fastener business owners had to fight alone anywhere in the world, but now as the invisible enemy presses on us, we need to collaborate, let the owners coordinate a new strategy with the help of fasteners associations, and seek a new pattern for mutual profits with the world.

Unresolved Tasks for Taiwanese Fastener Industry Amid the Pandemic

According to the statistics by Taiwan Industrial Fasteners Institute, Taiwan’s fastener export to Japan grew 3.75% in 2019, but negative growth was seen across the export to other 9 countries (refer to Table 1). Based on the statistics by Bureau of Foreign Trade (Table 2), Taiwan’s fastener export to Asia (including Southeast Asia) and South America grew in January and February 2020, and a 24% growth was recorded in the export to South America. However, the export to the U.S., Europe and other regions declined.

Generally speaking, Taiwan’s global fastener export dropped 11.2% in January and February, and this was just in the phase where the virus was lingering in China and hadn’t spread globally. As we move on to the March-to-May time frame, things are completely different. It calls for utmost attention from fastener business owners to see whether Taiwan’s fastener export will be able to

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Up Against
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overcome barriers in this time frame. Refer to *The Covid-19 Pandemic and Manufacturing* written by our contributing author in this issue.

As far as we know, this pandemic impacts Taiwanese fastener industry by affecting the export of customized products. Taiwanese fastener industry has been doing a great job in manufacturing and exporting customized fasteners, and it takes orders from clients of automotive and other high-end industries in the U.S. and Europe. However, as overseas countries announced city lockdowns, isolation and production suspension (refer to *Global Automakers in 2020* in this issue), sometimes the Taiwanese companies cannot reach their overseas buyers and their products end up staying at the warehouses or customs.

One company told Fastener World Magazine that lockdowns and production suspension have gone out of hand in overseas countries in the outbreak of this rampant virus and everyone has to practice social distancing, making face-to-face business talk more difficult; therefore, lately more buyers will search for sources of purchase through the Internet and media coverage. Online business talk and media promotion will be important ways to maintain commercial transactions amid this pandemic.

But then again, as a saying goes: "When things reach their limits, they turn into their opposite". By the time this pandemic fades away, the long suppressed global consumption and the impetus of purchase will rebound and accelerate in a big way. As long as the virus remains well under control in Taiwan, stable domestic demand and the return of Taiwanese business owners from China will provide a best shot for future market recovery.

Table 1. Top 10 Destinations for Taiwan's Fastener (Including Iron Nail) Export in 2019
Source: Taiwan Industrial Fasteners Institute

Country	Volume (KG)			Value (USD)		
	Volume (KG)	Share	YOY Change (%)	Value	Share	YOY Change (%)
1. U.S.	675,606,983	43.67%	-3.23%	1,873,736,037	41.56%	-1.97%
2. Germany	132,939,387	8.59%	-14.59%	395,909,093	8.78%	-13.28%
3. The Netherlands	80,987,763	5.23%	-12.97%	2,230,740,698	5.12%	-12.80%
4. Japan	74,532,873	4.82%	3.75%	253,318,338	5.62%	3.57%
5. UK	56,048,577	3.62%	-6.14%	176,008,541	3.90%	-3.55%
6. Canada	51,634,694	3.34%	-15.32%	148,053,452	3.28%	-10.22%
7. Italy	32,571,065	2.11%	-21.88%	84,244,716	1.87%	-21.64%
8. Poland	31,682,273	2.05%	-7.33%	68,094,646	1.51%	-4.68%
9. Mexico	31,520,058	2.04%	-0.06%	99,767,583	2.21%	2.65%
10. Sweden	29,114,718	1.88%	-3.14%	95,469,400	2.12%	-4.27%

Table 2. Taiwan's Fastener Export (KG) in Jan. and Feb. 2020
Source: Bureau of Foreign Trade (Taiwan)

Regions	Jan.-Feb. 2019	Jan.-Feb. 2020	Change (%)
World	247,686,274	219,829,061	-11.247
North America	115,691,870	101,496,655	-12.270
Europe	86,853,076	72,951,233	-16.006
Asia	30,804,984	32,279,704	4.787
Central America	6,209,255	4,739,786	-23.666
Oceania	4,553,090	4,338,193	-4.720
South America	2,347,777	2,913,434	24.093
Africa	1,215,743	1,108,728	-8.802
Others	10,479	1,328	-87.327

