



Taiwan's 2021 Fastener Export Shows a YoY Growth 18.03%

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4 Major Categories Show 2-Digit Growth in Volume and Price

Taiwanese fastener industry saw an explosive growth in orders in 2021 and its export performance appeared a significant growth from the same period in the previous year. The export volumes of its major categories including wood screws, self-tapping screws, bolts, and nuts all revealed 2-digit growths. Nuts, in particular, showed the highest growth of 31.52%; both wood screws and self-tapping screws showed a growth of nearly 20%; bolts also went up by over 10%. In terms of average prices, the growth of bolts was up to 15.10%; other self-tapping screws, wood screws, and nuts showed growths of 14.17%, 10.08%, and 9.11%, respectively, with the growth of the avg. unit price being 13.66%. According to the statistics, in the full year of 2021 Taiwanese fastener companies exported around 1.677 million tons to the world, with a YoY increase of 18.03%.

Taiwan Had Nearly 50% of Fasteners Exported to the U.S. While European Fastener Demand Increased Sharply

The U.S., Germany, the Netherlands, Japan, and UK remained the top five destined countries of Taiwan's fastener export, with nearly 45% being exported to the U.S. (around 0.75 million tons at the avg. price of USD 3.18 per KG). On the other hand, Germany and the Netherlands were the main gates for Taiwan's fastener entry into European market. Germany and the Netherlands represented 13.91% of Taiwan's total fastener export (around 0.23 million tons). Compared to the same period of last year, in addition to U.S. growth of 14.76%, Germany and the Netherlands revealed growths of 20.30% and 36.82% respectively. The growth of UK, which has withdrawn from the EU, showed the most significant growth margin at 45.39%.

Continuous Growth in Export Volumes and Reaching a New High in Q4 2021

Over the past 3 years, Taiwan exported around 0.3-0.4 million tons of fasteners to the world every quarter. In 2019, Taiwan's export started to decline quarter after quarter, but after declining to the level below 0.3 million tons it started to rebound. After Q1 2021 it started to appear continuous growth and reached a 3-year new high in Q4 2021, which was an increase from 0.376 million tons in Q1 2021 to 0.398 million tons in Q4 2021 (a quarterly increase of 1.24% and an annual increase of 15.12%).

Wire Rod Import Showed an Annual Growth of 59%; Low Carbon/Alloy Steel Took the Lion's Share

In addition to wire rod supply from Taiwan CSC, Taiwanese manufacturers also imported wire rod from overseas. In Q1 2021, Taiwan's wire rod import showed a sudden and sharp increase, but it dropped to the normal level after Q2. According to the statistics, Taiwan's total wire rod import in 2021 reached 0.815 million tons. Major import items and shares were: low carbon steel (56%), alloy steel (28%), cold forged materials (7%), high carbon steel (5%), medium carbon steel (2%), and quick cutting steel (2%). Compared to the same period of 2020, the import volume of alloy steel surged by nearly 100% while the import volume of low carbon steel also increased by over 50%. Major import origins and shares were: India (23%), S. Korea (17%), Vietnam (15%), Japan (10%), Russia (8%), and UK (7%). In the currently imbalanced situation between the supply and the demand, the import of wire rod will be favorable to make up for the insufficient capacity of Taiwan CSC.

Recovery of Global Industries Remains Strong; Fastener Demand is Expectable

In Jan. 2022, Taiwan's total export value reached US\$ 58.87 bn, an annual growth of 11.7%. The annual growth rate of basic metallic products even rose to 36.1%. Many domestic and overseas authoritative units (e.g., DGBAS, CIER, TIER, IMF, ADB, HIS Markit) have also forecast that Taiwan's GDP in 2022 will remain at least above 3%, showing their optimistic attitude toward the development of Taiwanese industries. The International Economic Development Index for Jan. 2022 Taiwan's National Development Council published also revealed that Taiwan's economy was in the phase of "stable and healthy growth (yellow to red light)". In addition, U.S. DoC's released documents also showed that the number of housing starts in the U.S. in Jan. 2022 was better than those in the same periods of the previous 3 years. U.S. housing starts in Jan. 2022 reached more than 1.6 million units. For Taiwanese fastener suppliers exporting nearly 50% of their products to the U.S., it is expected that they will be significantly benefited. In light of related indices and global industrial development trends, fastener demand may keep a growing trend for a really long time. ■

(Data sources: Taiwan CSC, NDC, U.S. DoC, Taiwan Customs, TIFI)

