

# Taiwan International Fastener Show 2024 Quality Fasteners Shine with Taiwan Now in the World's Spotlight

The 7th Taiwan International Fastener Show continued its popularity from last year and opened its doors to the world again at Kaohsiung Exhibition Center from June 5th to 7th this

year. According to the show's website, the organizer predicted that 10,000 domestic and foreign buyers and related industry players would come to visit and purchase. According to data provided by the organizer, this edition attracted nearly 300 companies taking up an exhibition area of 20,000 square meters, an overall scale increase of 20% compared with last year. Overseas buyers mainly came from India, the United States, Europe, Japan, Germany, and Thailand.

This edition centered on "sustainable fasteners & precise practice", using low-carbon and low-energy-consuming materials in decoration, transportation, signage, etc. More than 95% of the decoration materials in the venue were recyclable and reusable, expected to achieve carbon reduction by 50%. This edition also responded to the AI boom and used AI show guides for the first time. Visitors could learn about important activities and special exhibition areas through direct dialogue. Generative AI technology was also introduced to

assist product display using 3D models, increasing visitors' interaction with the exhibits. In addition to the planned "High-Value Fastener Gallery", the "Sustainability Zone" showcased Taiwan's first carbon emissions traceability management system exclusively for the fastener industry, as well as a number of energy-saving, carbon-reducing and waste heat recovery technologies. A briefing was held in the show to provide one-on-one guidance on reporting CBAM data and required documents.

A big highlight of the "Global Fastener Industry Forum" held on the first day of the show was inviting Alexander Kolodzik, Secretary General of the European Fastener Distributors Association, to give a speech on the "Impact and Strategies of CBAM on Taiwan's Fastener Trade", which attracted the audience from Taiwan, Japan, the United States, Europe and many other countries. In addition, Sheh Fung Screws G.M. Kent Chen was invited to introduce High-Value Fastener Products and Smart Manufacturing, and Sunco Industries President Okuyama introduced Japan's innovative fastener logistics technology.

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Fastener World's booth came with a new visual theme and dress design this time, and once again offered highly favored popcorn and bakery, as well as takeaway drinks. Visitors could snack on the specially designed sofas and interact with the Fastener World staff and fastener companies from many countries. The booth was full of visitors. We encountered end users from the U.S. looking for high-quality fastener products made in Taiwan, as well as Japanese nut manufacturers and Turkish fastener manufacturers coming to look for Taiwanese suppliers. This year, Taiwan attracted more attention than ever from the world and many buyers recognized again the key role played by Taiwanese fastener suppliers. Buyers were taking advantage of this show in Kaohsiung to continue to strengthen close collaboration with Taiwanese suppliers.



The organizer has announced that the next edition will be in 2026. Stay tuned to Fastener World and the official website ( www.fastener-world.com ).





































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# Taiwan Steel Group-Chun Yu Works & Co., Ltd.

Realizing Social Welfare and Demonstrating Commitment to Customers Through Quality

Chun Yu Works & Co., Ltd., an established fastener manufacturer in Taiwan, has become even more prominent after joining Taiwan Steel Group (TSG) in recent years. In addition to the youthful corporate image and more creative marketing campaigns making the public amazed at its change, Chun Yu's energetic cheerleading performance and prize quiz, as well as autograph signing activities by stars of the Group's basketball and baseball teams at Taiwan International Fastener Show this year, have made visitors get more excited about Chun Yu's future development.

## **Integration of Group Resources to Offer More Competitive One-Stop Service**

Brand visibility is an important pillar for the sustainable development of an enterprise. Although Chun Yu has been the most representative professional fastener manufacturer in Taiwan, it still continues to draw attention through exhibitions, advertisements, and other channels to expose its products, and at the same time, it also hopes to show a more positive attitude in promoting social welfare and practicing corporate responsibility.

As an important part of TSG's 4 major industries (steel, chemical & green energy, health and sports, and Internet), Chun Yu mainly focuses on steel structure parts, self-drilling screws, collated screws, wood screws, chipboard screws, and other high-quality fasteners, and focuses on European and American high-end markets. Together with TSG's resources in raw materials, dies and machines, Chun Yu can integrate the strengths of the Group's fastener-related companies, such as OFCO, GMTC, and S-Tech Corp. to provide one-stop services to customers.

Denise Lee, Manager of Chun Yu, said, "The resources from TSG have enabled us to control our raw material costs and compete with our counterparts in emerging markets such as China and Vietnam, and the one-stop-shopping service has also greatly enhanced our competitiveness."

#### Carbon Footprint Certification to be Approved in H2 This Year

Chun Yu has passed many certifications like ISO, IATF, JIS, ICC, CE, A2LA, etc. After the implementation of the EU CBAM measures, Chun Yu immediately invested in the carbon reduction and green manufacturing field and conducted the relevant carbon footprint inventory and certification, and it is expected that it will be able to obtain the ISO14067 carbon footprint certification by September/October this year. Meanwhile, it has also set ESG sustainable performance goals for itself in the areas of resource reuse, net-zero and low carbon emission, and water management, which will be helpful for its future sales expansion in the European and American markets. Manager Lee said, "Chun Yu is not only a fastener manufacturer, but also plays an important role in practicing social responsibility and promoting social welfare. In the future, we will continue to serve our customers with excellent quality and delivery, and strive to improve the functionality of our products. We are confident that the market will rebound next year, and we look forward to our customers' continued interest in Chun Yu's changes."

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# **Fu Hui Screw** Strong Support for T2 Supply Chains in Europe and the U.S., with Machine Upgrades in the Pipeline

Fu Hui Screw Industry, which has participated in Taiwan International Fastener Show for many times, has once again grabbed the attention of visitors this year as a leading manufacturer of automotive fasteners in Taiwan. With IATF 16949/ ISO 9001/ ISO14064-1:2008 certifications, Fu Hui mainly produces automotive fasteners, industrial fasteners, customized special parts, and all kinds of high tensile fasteners. Fu Hui's technology is not only superior to many automotive fastener manufacturers, but also an important partner in the T2 supply chains of the European and American automotive industry. In order to let customers deeply understand its characteristics, Fu Hui also displayed many new products with technical advantages at its booth this year, demonstrating the established fastener factory's innovative steps to keep pace with the times.

#### **Entering the Critical Automotive Fasteners Field with Precision Technology**

Automotive fasteners are classified into different grades according to their technical difficulty, and Fu Hui has entered into the most critical parts of the automotive engine, and has been supplying special one-piece formed screws to many well-known automobile plants for a long time. Under the business philosophy of quality rather than quantity, Fu Hui rarely produces standard products, but chooses to invest most of its R&D capacity in special products with higher technical levels, thus attracting the attention of mid-range and high-end market customers.

Fu Hui President Fu Jen Tang said, "We have always been highly confident in the field of screw manufacturing, and the more difficult and complex it is, the more interested we are! These high-precision fasteners are very difficult to form on a traditional 3-die or 4-die machine, but we have machines up to 6-die and 6-blow, and the experience of our technical team allows us to meet all the challenges our customers present."

#### **Highly-efficient Taiwan-made Machines Create Cost and Performance Advantages**

Fu Hui understands that manufacturing cost and performance are the keys to enhancing the competitiveness of customers, so high-end Taiwan-made machines that can balance both cost and performance are often adopted in its production lines. Moreover, Taiwan's machinery industry has shown significant progress in recent years in both technology and equipment performance, comparable to their counterparts in Europe and the U.S., thus enabling Fu Hui, which has considerable experience in the use of Taiwan-made machinery, to create more added value for its customers.

President Tang said, "Previously, the equipment required manual fine-tuning, but now we can adjust the die settings through computerization and data, which not only reduces die damage and wear, but is also a great benefit to the machine and fastener manufacturing industries. I also discussed the equipment upgrading plan with several Taiwanese machinery manufacturers at the show this time, and in the future we will be able to produce longer screws with fewer dies."

Fu Hui, established nearly 50 years ago, not only exchanged ideas and interacted with domestic and overseas counterparts and partners at the show this year, but also actively learned about the industry's dynamics and economic conditions, hoping to seek more opportunities for cooperation at a time when the economy is recovering (especially in the U.S. market). On the other hand, it will endeavor to secure more orders for high value-added products such as those made of silicone bronze, deepen its promotional efforts in the European and U.S. markets, and expand and strengthen its solid cooperation with local partners.



#### WinLink

WinLink Fasteners, worldly known for its 5A service of "Action, Accurate, Attitude, Active, Advanced" and specialized in standard/specialty stainless steel fasteners, large-size and OEM products, returned to its home ground in Taiwan this year to demonstrate to the world during the grand Taiwan International Fastener Show that it has the strength to remain at the forefront despite changes in the industry. In addition to letting overseas customers understand the solid foundation of Taiwan fastener industry, which has been passed down from generation to generation and developing steadily through practical exchanges, WinLink also hopes to maintain its brand awareness and establish more cooperation through exhibiting and presentations at a meeting room.

#### In Line with Industrial Changes; Fully Automated Factories to Serve Diversified Needs

Managing Director Wen-Ling Ko said, "Our services follow the changing needs of the industries. We don't emphasize on what products we produce, but rather on what industries we can serve." Whether it is globally popular green energy, 5G cell sites, solar energy, petrochemical, natural gas, or water resource, AI cooling, and rocket/aerospace which may be the future trend, WinLink has recognized its development potential early and actively approached customers prior to their inquiries. Although the fastener industry does not change as fast as the IT industry, WinLink, backed by the industry's most automated smart factories and a team that understands the needs of the industry, is always able to accept new challenges to provide services to more industries, and is willing to provide sponsorship to industries with promising development prospects. Managing Director Ko said, "Teamwork, experience in different industries and in-depth market research reports allow us to be ahead of our peers in exploring more market potential areas."

#### The Fastener Company that Understands the Law to Cope with Diversified Challenges

WinLink's in-depth understanding of relevant laws and regulations is the key to stand out in the industry. Whether it's anti-dumping, carbon emissions, human rights, or the U.K. Modern Slavery Act 2015 (which the industry may not have noticed yet), the team is dedicated to researching on these important issues to help customers meet the requirements of the law. Managing Director Ko said, "As a knowledge-based enterprise, I think it is worthwhile for the industry to learn from the management operation of IT industries such as TSMC, and I will continue to incorporate these practices into WinLink's service philosophy."

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# WinLink Fasteners- Creating a Knowledge-based "Client-Centric" Fastener Enterprise

# Giving Employees Enough Space and Valuing In-depth Communication with Customers

WinLink emphasizes on education and training and full participation of all employees, so each employee has enough freedom and space to develop his/her own strengths according to his/her characteristics, and is encouraged to set up his/her own annual goals. Especially when Taiwan's industry is facing more challenges and competition, enterprises should not be satisfied with past successes, and should let machines do what they can do, while employees should focus on customer communication and problem solving together. Managing Director Ko said, "Crisis is a turning point, and we need to find our own strengths and traits and tap into the power to start anew in the midst of all the competitions. In the future, we will continue to focus on how to introduce advanced technology, which has been applied in large enterprises for many years, into the automated inspection and die management of fastener production lines, and discuss the development and application of new materials with upstream suppliers...etc. We are also looking forward to strengthening more exchanges and learning from each other with many industrial professionals."



Yeswin specializes in the production of 3-die, 4-die, and 5-die screw forming machines (normal, extended, and extra-long) as well as 5-die, 6-die, and 7-die special part forming machines, whose excellent design and remarkable performance are the most important keys for many fastener processors to produce high-quality fastening products. The technology and durability of its machines recognized by the industry also allowed Yeswin to attract a number of domestic and international buyers to stop and ask questions at this year's fastener show in Kaohsiung.

## **Introducing More Energy-Saving Designs In Response to Carbon Reduction**

During the show, Yeswin not only actively interacted with buyers from home and abroad, but also noticed that energy saving and carbon reduction have been already a major trend in the future industrial development. Yeswin's recently launched or upcoming models will fulfill the requirements of customers in this area.

"Energy saving and carbon reduction are an international trend, and many of our customers are using this as a reference for their orders. Therefore, we'll develop our future models based on this trend, including the installation of energy-saving components on the machine body to convert kinetic energy into electrical energy, which are what we are trying to do," said Yeswin. "Some customers have already adopted our machines and tested them, and they have proved that the energy consumption of their main motors can be significantly reduced by about 15-20%."

#### **Self-Developed Dies for High Precision Forming**

In-house die development is one of Yeswin's major advantages. Since the dies used are all developed and designed in-house, the precision of forming can be more accurately mastered. Even for products with small size and hole diameters, Yeswin can ensure that the finished products meet the strict requirements of customers and international standards, making its machines suitable for customers in the middle and high-end markets.

Yeswin said, "Our customers are located in Europe, the U.S. and Asia, and in recent years we've seen significant growth in Southeast Asia. We also hope to further expand our presence in Europe and other important markets through our strengths in product precision and design."

#### High-speed & Stable Operation and Expanding the Field of Through-Hole Long Screw Processing

Processing speed is a very important evaluation criterion for customers to choose a machine. Yeswin is committed to high-speed machine development, while at the same time ensuring the stability of processing and the precision of finished products, so its technology continues to be at the forefront of the industry. Yeswin said, "We'll continue to launch new machine development programs. For example, the design of a clamping structure that can be simultaneously opened and turned, as well as machines that can maintain precision for ultrashort parts and ultra-long through-hole parts, will be among our recent endeavors."

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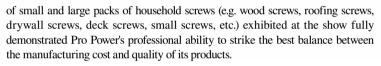
Refusing to be a Copycat, Pro Power Can Always Surprise **Everyone with Creative Ideas** 



Since Pro Power participated in Taiwan International Fastener Show for the first time, the design creativity and activities presented at its booth every year have been always the reference for other fastener companies to learn from. In this year's show, Pro Power once again succeeded in gathering the flow of people in the exhibition hall with a large display screen stand and highly creative slot bag drawing games, demonstrating its unrivaled topic creativity and ability to attract visitors.

#### **Utilizing Advantages of the Source of Products to Offer Customers Good Screws at Lower Prices**

"Our price is cheap!" has been the most impressive slogan since Pro Power was founded, and such a bold marketing strategy has made many of those who are afraid of jumping into the price-cutting competition realize the typical maniacal style of Pro Power President Chris Chen, who is not afraid of taking risks and challenges. Although low price is its main selling point, Pro Power's products still achieve excellent performance and quality. Various kinds



SALE

SALE

President Chen said: "To draw as much attention as possible in the industry and let more customers notice our highly competitive products is the biggest goal of Pro Power's participation at this exhibition, and we sincerely welcome buyers caring about affordability and quality to place more orders with Pro Power. Taiwanese manufacturers used to fly to Europe and the U.S. to promote their products, but this year's show in the world's most important source of fasteners undoubtedly allowed overseas buyers to see the strong fastener manufacturing strength of Pro Power and its Taiwanese counterparts, and was also an excellent way for them to gain an in-depth understanding of the industrial and technological upgrading efforts that Pro Power and Taiwan fastener industry had been making over the past few years."

#### Glad to be a "Crazy Man" to Enhance the **Industry's Image**

President Chen expressed his pleasure to be a model for the industry as more and more companies are taking reference from Pro Power's creative booth design and thematic activities at the show. He encourages the industry to continue to look ahead and enhance their creativity and competitiveness. so that overseas buyers will find it more interesting and willing to stay longer when they visit the show in Taiwan, rather than just passing by, and on the other hand, it will also enhance the overall image of Taiwan fastener industry to the outside world.

President Chen said: "When everyone follows the footsteps of Pro Power, it may mean that we are going on the right direction. We'll work hard to achieve a 50% increase in sales and return to the next show with amazing creativity."

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#### **Steel Stone** Incorporates Taiwanese **Elements into Stand Design at Taiwan International Fastener Show**

Who said that the booth design can only be standardized? Professional furniture screw manufacturer, Steel Stone Co., Ltd., has changed most people's stereotype of how a standardized booth design should be at Taiwan International Fastener Show this year. The "Steel Stone Temple", designed based on the theme of traditional Taiwanese temples, also incorporated many elements of early Taiwanese temple fair imagery. The authentic Taiwanese elements made many visitors from home and abroad praise "It's so creative!" Steel Stone's booth was even decorated with plastic red tables and chairs commonly seen in Taiwanese street vendors, as well as desktop Bingo game consoles that most people played with in the early days, childhood biscuits and candies, "WHISBIH" refreshing drinks, betel nuts, Taiwanese beer and other local Taiwanese specialties, all of which were skillfully embellished in the booth, making it the talk of the show.

Cabin Chen, General Manager of Steel Stone, said, "Steel Stone's products are mostly special products. In order to show Steel Stone's strength and unlimited creativity in product development and design, we took the temple as the theme of the booth. Because screws are a traditional industry in Taiwan, we wanted to use the temple and the temple fair representing the classic characteristics of Taiwan's traditions as elements to give everyone new ideas about the heritage, and also let everyone remember the temple fair activities in their childhood and come to the "Steel Stone Temple" to have some fun. We also hoped to create a more entertaining atmosphere for the serious fastener event, and further showed people that Taiwan fastener industry, though a traditional industry, could still continue to incorporate innovative ideas and technologies."

Steel Stone is one of the most representative companies in Taiwan's furniture screw manufacturing chain, and at this exhibition, Steel Stone also met buyers from India and introduced its products to them. General Manager Chen said, "The market demand is changing day by day, and in the future, we'll continue to introduce new products with more characteristic design and creativity, and we'll also develop new customers from furniture companies and factories all over the world. In addition, Steel Stone will continue to participate in international exhibitions such as Fastener Fair Global, Interzum, etc., to present the excellent quality of Taiwanese furniture screws and the design strength of customized manufacturing to more international buyers.

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# Secretary General of EFDA Alexander Kolodzik: Supply Chains Should Work Together to Meet CBAM Challenges

aiwan and Europe have a close trade relationship in fasteners, and when the CBAM measures come into effect, Taiwanese fastener manufacturers will face more complicated regulatory requirements and severe challenges in exporting to Europe in the future. Alexander Kolodzik, Secretary General of European Fastener Distributor Association (EFDA), was invited to analyze the "Impact and Strategies of CBAM on Taiwan's Fastener Trade" to help Taiwan industry better understand the European side's thinking and Taiwan's way of response.

#### Fastener Manufacturers Play a Key Role in CBAM Reporting

Secretary General Alexander said that CBAM can be broadly divided into two phases, with October 2023 to the end of 2025 being the transition period and the full implementation phase from 2026 onwards. In the first phase, fastener manufacturers play a key role, because from October 2023 onwards, importers of fasteners in Europe will be required to submit to the CBAM Registry, on a quarterly basis, more detailed information on the import of fasteners, including the commodity codes of fasteners being imported, the names and addresses of manufacturers, the names of manufacturing plants, as well as, most importantly, data on direct and indirect carbon emissions, which have to be supplied by the fastener manufacturers in the countries from which the fasteners are being exported. In addition, importers will be required to provide "actual" carbon emissions data from Q3 2024 onwards, and the previous reference default values will no longer apply. As it is considered unlawful and risky to be sanctioned for EU importers failing to submit data on imported fasteners on time, EU importers will not place any order with a supplier who fails to provide emission data for sold fasteners. In the spirit of the legislation on transparency in the supply chain, the disclosure of the source of supply is unavoidable and can only be achieved through the concerted efforts of all of us. EFDA's partners in Taiwan (TIFI, Taiwan Institute of Economic Research or TFTA) and professional consultants are the channels through which you can make inquiries. EFDA also has a working group set up by experts from European fastener distributors to assist the industry in responding to the CBAM and provide suppliers



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with both Mandarin and English versions of the CBAM regulation briefing notes and reporting templates, as well as a guideline to assist manufacturers in calculating their carbon emissions (which will be published in the near future). When CBAM is formally implemented in 2026, EU importers will be required to pay a fee for carbon emissions per ton of imported fasteners, and the percentage of the levy will increase year by year until 2034. This additional high cost will have a huge impact on the competitiveness of fastener manufacturers.

## **CBAM Brings Challenges but Also Business Opportunities**

The implementation of the regulation in 2026 will certainly have a greater impact on the fastener industry, such as a greater administrative and financial burden for importers and suppliers, and a significant increase in the total cost of production of fasteners. Alexander said that the use of more environmentally friendly steel materials would show lower carbon emission data, and the costs associated with CBAM would also be lower. Reducing carbon emissions from the production of fasteners would create a competitive advantage for individual companies or for an entire exporting country (e.g., Taiwan). Fastener and raw material manufacturers can create these advantages by adopting green energy. Taiwan can create more competitive advantages for itself if it can make more progress in carbon reduction.

Alexander emphasized that businesses and individual countries must strive to meet CBAM's specifications and requirements in order to remain competitive, suggesting that active collaboration with supply chain partners to provide valid data and use green energy is essential to maintain competitiveness. Suppliers in Taiwan can also look to EFDA to help with any challenges arising from CBAM.

#### Sheh Fung General Manager Kent Chen: High-value Transformation and Green Manufacturing are Future Trends

nder the title of "High-Value Fastener Products and Smart Manufacturing", Kent Chen, General Manager of Sheh Fung Screws, pointed out at the beginning of his speech that fasteners will remain a promising and potential industry in the future. He believes that the robust development of the fastener industry has enabled Taiwan to gain a foothold in the world, and hopes to share his experience with the industry through Sheh Fung Screws' recent achievements, and to gather the power of the industry to integrate industrial resources and work together for the fastener industry. In particular, high added value, smart and green manufacturing are the top priorities.

## 3 Key Elements of High Added Value: Efficiency, Difference, and Change

General Manager Chen mentioned that there are three major stages of seeking high added value: "Improvement of Efficiency", "Creation of Difference", and "Continuous Transformation". In order to improve efficiency, Sheh Fung has been active in digital transformation and introduced automated systems to enhance information transparency, helping employees understand the company's niche products. Sheh Fung has also introduced the Japanese coating process to create differences and added value to the industry, creating a better price advantage. Considering that the prices of Taiwanese screws are mostly in the mid-price range and there are tariff costs for export to Europe, Sheh Fung set up a Vietnam factory to expand its sales scope and diversify risks at the same time. General Manager Chen said: "Over the past 60 years, Sheh Fung has successfully transformed from a trader to a service-oriented manufacturer, and has continued to find solutions for customers to enhance the value of its products". Among the four major fastener types, General Manager Chen said that aerospace fasteners feature strict requirements, high price but a small market; automotive fasteners benefited from the development of EV are undeniably an important part of Taiwan fastener industry seeking high added value, and its threshold, quality and safety coefficient requirements are higher; the electronic screws commonly used in the semiconductor and electronics industry feature high unit price and high added value; construction screws, though in greater demand, do not show many high added value features, Sheh Fung, who has been rooted in this field for many years, can further increase the price by strengthening their high added value through the coating technology, which can also create a high value added market for itself on par with other aerospace fasteners. General Manager Chen emphasized that in order to break away from the red ocean competition, it is important to move into customized production and to



maintain consistent quality and delivery. Sheh Fung has been able to increase its gross margins by providing screw design services to its customers through its own factories, which is especially important at a time when the cost of acquiring land is higher.

# Smart Manufacturing Facilitates Digital Transformation and CrossIndustry Cooperation Boosts Green Manufacturing

Sheh Fung's data presentation has become more transparent and real-time through scanning barcodes to automatically produce work orders and automatic quantity filing on electronic scales, etc. It is also capable of clearly calculating carbon emissions data in response to ESG and CBAM trends. General Manager Chen pointed out that green manufacturing will be the focus of Sheh Fung's future development, and that the understanding of the manufacturing process to enhance carbon reduction and the cooperation withing the fastener industry (or even cross-industry) will accelerate the achievement of the green manufacturing goal. Finally, General Manager Chen emphasized that "people" play a very important role in Sheh Fung's corporate culture. He believes that the loss of talent is a loss for the company, so Sheh Fung has many employee welfare systems to help retain talent, and also encourages cross-departmental participation and communication among employees to strengthen the centripetal force. Through these modes of operation, Sheh Fung has begun to enjoy the fruits of its efforts in the past few years, with order volume, sales and EPS all rising significantly. In addition, General Manager Chen said that social care is also an important part of Sheh Fung, and that Sheh Fung will continue to contribute to the community with the spirit of "what is taken from the community is used in the community" while making profits.

President Okuyama of Sunco Industries (Japan): Technological Innovation in Fastening Systems and Current International Market Trends

unco Industries is an international professional fastener trading and logistics company, providing JIS metric fasteners to all over the world, with an annual turnover of US\$2.57 million. President Yoshihide Okuyama is great at programming and uses it to introduce Japan's unique logistics technology to the distribution center in Higashi-Osaka City. He has invested in the development of an automatic distribution robot by Hakobot, and plans to conduct a demonstration experiment of automatic fastener distribution this summer. The president shared his delicate Japanese logistics management tips in the forum.

In addition to importing fasteners from overseas suppliers, Sunco has customers who are mostly fastener retailers, and features shipment available for orders starting from one single fastener. The president said that Sunco handles large fasteners weighing 15 kilograms, going all the way down to small fasteners weighing 0.01 grams. That is a large assortment of types. A total of more than 2 million fastener products are handled, and Sunco continues to add 5,000 products every month, with the goal of reaching 3 million pieces. One of the customers places as many as 150 orders a day. On average, 50 orders are received per day per customer.

## Reasons for Placing Distribution Centers Closer to Suppliers

Higashi Osaka is a big manufacturing city, especially known as the "Fastener City of Japan". This city has about 400 fastener manufacturers, the largest number in Japan, as well as the most fastener employees and shipments. Therefore, Sunco places the distribution center in an area where fastener manufacturers are concentrated. There are about 80 suppliers within a radius of 3 kilometers. Extend the radius to 10 kilometers and there are as many as 100 suppliers around. There is a reason for Sunco's decision to place the distribution center closer to suppliers. Without suppliers near the distribution center, a large number of products will have to be transported by large trucks each weighing more than 10 tons. Product receivers will be swamped with hectic work, and the number of trucks waiting in line will also increase. On the contrary, most of the goods for Sunco's distribution center are transported by small trucks, and large trucks only come once a day, so Sunco can enjoy the benefits of staying close to suppliers. The long working hours of truck drivers have been at the center of focus and known as "Japan's logistics problem in 2024". The reason is the sheer amount of time that it takes to unload from large trucks. Some distribution centers could therefore be troubled with traffic jams due to the queues of trucks. This is a big problem. The president believes the main reason for this problem is putting distribution centers close to where consumers are, causing delivery delays.



Sunco mostly handles smaller fasteners of many types and small quantities, so the products need to be packed into cartons, small boxes or in bulk. Sunco gathers order data, and uses computers to constantly calculate to find out whether the product quantity is enough to fill a carton. Shipments are made when the order volume is sufficient to accommodate the carton volume, which improves efficiency. As order volume becomes smaller and smaller, it gets increasingly difficult to fit into one carton, resulting in reduced work efficiency. To that, Sunco's distribution center has 6 floors and each floor is stocked with goods. If a customer orders multiple goods, the goods will be taken out from each floor and sent to the packaging area on the second floor through a vertical conveyor. This is Sunco's "cargo matching" technology.

## "Customer-Specific Closing Time Processing" Technology

To assemble products coming from each floor, it is necessary to set up temporary storage shelves for each customer. As the number of customers increases, so does the need for temporary shelves, resulting in a lack of storage space. To solve the problem, the president used mathematics to analyze order dynamics and calculate the final order time for each customer, and applied this calculation to all 5,000 customers. This technology, called "Customer-Specific Closing Time Processing", has acquired a patent. Although the number of shipments has increased since the introduction of this technology, overtime hours for logistics work have been reduced by 34%, and work in the distribution center can be completed more than an hour earlier.

The achievement with these two technologies has given Sunco enough foundation to successfully transition from a domestic trader to an international trader known today.

Head of Registration and Member Privilege and Committee of Thai SUBCON Watsamon Chayapum: Demand for Automotive Specialty and Construction Fasteners Looks Promising

nder the title of "The Market Trends of the Fastening Market in Thailand", Head of Registration and Member Privilege and Committee of Thai Subcontracting Promotion Association (Thai SUBCON) Watsamon Chayapum presented to industry professionals interested in entering or investing in the fastener market in Thailand.

Ms. Watsamon said that the main fasteners applied and used in Thailand are estimated to be around 40% for automobiles, 25% for construction, 20% for machinery & equipment, 10% for electrics/ electronics, and 5% for other areas. There are currently more than 300 fastening-related companies in Thailand (84% are small firms, 12% are medium enterprises, and 4% are large companies), whose annual sales in 2022 reached US\$1.44 billion (about 50.35 billion baht). The top 10 fastener manufacturers alone account for nearly 50% of the total market share in Thailand.

Watsamon said that the development of electric vehicles is creating a higher demand for specialized fasteners. In addition to the demand for battery packs and electric motors, the demand for fasteners with lightweight materials and high-performance features is also increasing. In addition, the Thai government's plans to stimulate the economy by investing in large-scale infrastructure are also contributing to the growth of the fastener market, especially the Eastern Economic Corridor (ECC), which includes the establishment of special economic zones, the expansion of U-Tapao Airport, the construction of high-speed railways/double-track railroads, and the expansion of important ports.

However, Thailand's local fastener manufacturers are also facing some challenges. For example, most of the standard products in Thailand are low-priced products imported from China. In 2022, Thailand imported about US\$145 million of fasteners from China, about 75% of its total fastener imports. As the quality of Chinese fasteners has improved significantly over the past few years, Thai companies will have to innovate and explore more niche markets or value-added services to compete with them.

Watsamon also sees many opportunities for Taiwanese companies in Thailand. With a growing demand for high quality fasteners and locally sourced suppliers, Taiwanese companies may consider working with Thai companies to expand their local distribution network and market entry, as well as transferring knowledge to local companies to achieve a mutually beneficial partnership and enhance market visibility. The Board of Investment of Thailand (BOI) also offers incentives and support resources such as tax incentives.

