



TIFI Chairman Yung-Yu Tsai

# Taiwan CSC Production & Sales Meeting for Q4 2024 with the Fastener Industry

## Market Momentum Supports Taiwan Fastener Industry to Keep Moving Forward

On September 3 at an important gathering of Taiwan fastener business owners, the main representatives of Taiwan CSC, together with Mr. Yung-Yu Tsai, the new chairman of Taiwan Industrial Fasteners Institute, as well as Mr. Tu-Chin Tsai, the former TIFI chairman, briefed on the status of the global economy and Taiwan fastener industry in front of more than a hundred business owners and professionals working in the fastener, wire rod, surface treatment, and machinery industries. This time, the event had professionals from abroad who came to listen and exchange thoughts with the participants.

Through Taiwan CSC's briefing on global economic outlook, we can get a glimpse of some future opportunities. From the perspective of market demand, Southeast Asia is a rising star with positive market development potential. The Asian Development Bank predicts that the GDP growth rates of Vietnam and the Philippines will exceed 6% in 2024, and Indonesia will reach 5%. In addition, as of July this year, ASEAN's manufacturing purchasing managers' index has been above the boom-bust line (the line which is at a reading of 50) for seven consecutive months, indicating that Southeast Asia's growth momentum is strong. The IMF predicts that the GDP growth rate of the entire ASEAN will reach 4.6% in 2025. Another market with obvious growth momentum is Europe. Its GDP growth rate was 0.5% in 2023, and is expected to reach 0.9% in 2024 and 1.5% in 2025, which will be three consecutive years of growth. However, it should be noted that compared with Southeast Asia, which will achieve a GDP growth rate of more than 4% for three consecutive years, Europe's growth momentum is relatively weak, but it can count as a stable recovery. The Fed's cutting interest rates is expected to bring momentum to Europe.

As for Taiwan, the National Development Council of Taiwan announced that Taiwan's leading indicators and concurrent indicators continue to rise, indicating that the domestic economy maintains a growth trend. As of July, Taiwan's purchasing managers' index has exceeded the boom-bust line for three consecutive months and remains in an expansion state. Export orders have achieved positive growth for five consecutive months. The cumulative export orders value from January to July this year increased by 2.7% compared with the same period last year. The IMF, Taiwan Institute of Economic Research and other institutions predict that Taiwan's GDP growth rate in 2024 will exceed 3% (and up to as high as 3.9%).

In the first seven months of 2024, Taiwan CSC imported 277,000 tons of wire rods from around the world, an increase of 34% from 206,000 tons over the same period last year. Among them, 33% of wire rod imports were from Indonesia, 21% from South Korea, 12% from India, 11% from China, 8% from Japan, and 7% from Vietnam. The materials of imported wire rods were mainly low carbon steel (accounting for 50%) and alloy steel (42%).

According to statistics from Taiwan Industrial Fasteners Institute, the export weight of fastener products in the first seven months of 2024 was 740,100 tons, a year-on-year decrease of 2.77%. The average export unit price was USD 3.5, an annual decrease of 8.05%. Although Taiwan's fastener export weight to Germany dropped by 13.31%, the export weights to the U.S., Japan and Canada increased by 1.83%, 0.40% and 22.17% respectively. As of the second quarter of 2024, Taiwan's fastener export weight to the world achieved a quarterly increase of 1.6%.

Taiwan Fastener Export Volume and Price		
Product	Export Volume	Unit Price
Wood Screws	-4.94%	-13.20%
Self-tapping Screws	-0.79%	-10.85%
Bolts	-5.21%	-9.14%
Nuts	+2.61%	-5.30%

Mr. Yung-Yu Tsai said after the briefing that Taiwan fastener industry has survived the headwinds of the past three year with its most important key competitiveness still intact. That key is a unique and complete supply chain which is an advantage unseen in other countries. Therefore, even when the world is facing political and economic turmoil as well as cost and price challenges, he is looking forward to the future development of Taiwan fastener industry and is confident that the industry can usher in the next glorious decade through continuous optimization of production lines and corporate systems.

Finally, Taiwan CSC announced the launch of a new technology at the meeting. Because some Taiwanese fastener manufacturers need to supply products for automobile and motorcycle safety-critical products, Taiwan CSC launched the HCWQ4/A4 precision rolling technology. The wire rods produced with this technology are mainly used for automotive fasteners. Taiwan CSC's exclusive know-how is used to reduce the occurrence of cracks in the wire rods during the cold forming process and comprehensively improve the surface quality of the wire rods.

