

Review of Textile Machinery in Year 2010

By:

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Fibre2fashion is coming up with a brief report on Textile Machinery for year 2010 with the details of Production, Import-Export and Utilization of the machineries from important countries like India, China, Germany, Italy and Japan.

India

Last few quarters have witnessed a strong revival in the textile sector of the country which has benefited the textile machinery segment, particularly the ones that source the spinning and weaving industries. The textile machinery production in India registered a year-on-year growth of 52 percent, between October 2009 and September 2010, this year. The spinning and weaving sectors also experienced a major boom during the period, as machinery production including the allied machines in both the sectors then rose by 72 percent. The spinning sector greatly contributed to the overall volume of the textile machinery produced in the country during the period with a 66.2 percent share. Further, post economic crisis, owing to a vibrant domestic economy there has been a vigorous growth in the demand for textiles and regardless of the rise in the rates of raw materials including cotton and polyester, majority of the players have successfully shifted the burden of price rise to the end users. Also, the Technology Upgradation Fund Scheme (TUFS) floated by the central government too has proved to be of assistance for the textile manufacturing industry and a number of textile firms have chosen to upgrade to take advantage from the scheme. About Rs 2.82 billion were distributed under the scheme till June 2010 for fiscal 2011.



Below is Production, Import, Export & capacity utilization of textile machinery industry of India:

Section-Wise Production of Textile Machinery, Parts and Accessories

| Category Wise Actual Production of Textile Machinery | | | | | |
|--|---------------------|----------------|----------------|----------------|----------------|
| | Value In ₹ Millions | | | | |
| Section Of Textile Machinery | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 |
| Spinning & Allied Machines | 26189 | 34231 | 36622 | 24174 | 21050 |
| Synthetic Filament Yarn Machines | 4472 | 5845 | 6253 | 4128 | 8300 |
| Weaving & Allied Machines | 4445 | 5810 | 6216 | 4104 | 4950 |
| Processing Machines | 4541 | 5939 | 6352 | 4193 | 4600 |
| Misc. (Spinning, Weaving & Processing) Machines | 1324 | 1730 | 1853 | 1220 | 1200 |
| Textile Testing & Measuring Instruments | 871 | 1140 | 1219 | 804 | 300 |
| Hosiery Machines (Inclusive Of Hosiery Machinery & Needles) | 360 | 470 | 505 | 333 | 350 |
| Spares & Accessories | 1813 | 2370 | 2531 | 1674 | 1700 |
| Grand Total | 44015 | 57535 | 61551 | 40630 | 42450 |
| P = Provisional | | | | | |
| Source : Figures are taken and Estimated as per recent survey of Textile Committee | | | | | |

Import of Textile Machinery, Parts and Accessories

| Value In ₹Millions | | | | | | |
|---|-------|--------------|--------------|--------------|--------------|--------------|
| Machines for preparing Textile Fibres, Spinning, Twisting, etc. Machinery for producing Textile Yarns, Machines for preparing Textile Yarns for use on Machines of 8446/8447. | 84.45 | 21263 | 38090 | 26289 | 20978 | 20000 |
| Weaving Machines (Looms) | 84.46 | 15275 | 12596 | 11057 | 8717 | 10000 |
| Auxiliary Machinery used with Machines of Heading 8444, 8445, 8446/8447, Parts & Accessories used with this Heading/of Heading 8444, 8445, 8446/8447. | 84.48 | 8610 | 11150 | 9200 | 9420 | 10000 |
| Other Parts of Household Laundry type Machines etc. and machines for applying paste to base fabric, etc. Machines for Reeling, Unreeling, Folding/Cutting Textile Fabric | 84.51 | 5500 | 7000 | 6000 | 5000 | 5000 |
| Total | | 50648 | 68836 | 52546 | 44115 | 45000 |
| Source : Directorate General of Commercial Intelligence and Statistics, Government of India | | | | | | |

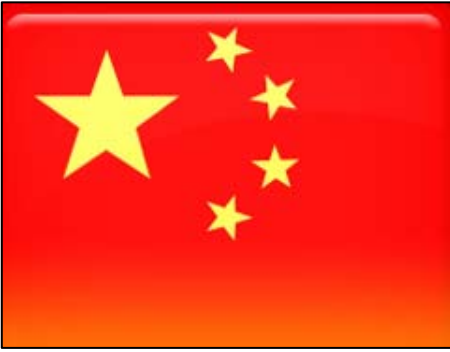
Actual Data Relating to Export of Textile Machinery, Parts and Accessories

| Value In ₹ Millions | | | | | | |
|---|-------------|-------------|-------------|-------------|-------------|-------------|
| Description | Heading No. | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 |
| Machines for preparing Textile Fibres, Spinning, Twisting, etc. Machinery for producing Textile Yarns, Machines for preparing Textile Yarns for use on Machines of 8446/8447. | 84.45 | 683 | 812 | 1246 | 109 | 800 |
| Weaving Machines (Looms) | 84.46 | 119 | 247 | 215 | 4466 | 150 |
| Auxiliary Machinery used with Machines of Heading 8444, 8445, 8446/8447, Parts & Accessories used with this Heading/of Heading 8444, 8445, 8446/8447. | 84.48 | 2406 | 2776 | 4334 | 780 | 3320 |
| Other Parts of Household Laundry type Machines etc. and machines for applying paste to base fabric, etc. Machines for Reeling, Unreeling, Folding/Cutting Textile Fabric | 84.51 | 565 | 420 | 601 | 719 | 980 |
| Total | | 3773 | 4255 | 6396 | 6074 | 5250 |
| Source : Directorate General of Commercial Intelligence and Statistics, Government of India | | | | | | |

Capacity Utilisation of the Textile Machinery Industry

| Value In ₹ Millions | | | |
|--|--------------------|------------|----------------------|
| Year | Installed Capacity | Production | Capacity Utilisation |
| 2005-06 | 70000 | 44020 | 63% |
| 2006-07 | 80480 | 57530 | 71% |
| 2007-08 | 80480 | 61550 | 76% |
| 2008-09 | 80480 | 40630 | 50% |
| 2009-10 | 80480 | 42450 | 53% |
| Source : Figures are taken and Estimated as per recent survey of Textile Committee | | | |

China



Investment growth in fixed assets of textile industry is undoubtedly the direct factor in driving sales of textile machinery products. Statistics of recent years show that investment in equipment, basically accounted for more than half of the investment in fixed assets of textile enterprises. China's textile industry completed a total investment of 276.291 billion Yuan in fixed assets from January to September this year, an increase of 25.66 percent year on year; the growth rate was 16.95 percentage points higher than the same period last year. Investment scale of various sub-sectors in textile industry

enlarged over the same period last year. Of which, wool and chemical fiber industries realized about a 50 percent growth rate in investment year on year. In comparison, despite the high growth rate of fixed assets in wool industry, its base was relatively low, so the investment did not show an obvious drive in sales. Investment growth in fixed assets of chemical fiber industry reached 49.36 percent, which effectively boosted sales of related machinery in the first three quarters of this year, the industry sold out 40 lines of polyester staple fiber equipment and 1,500 units of various texturizing machines. Among sub-sectors of the entire industry, cotton textile industry still achieved the largest proportion of investment in fixed assets this year, accounting for 43.58 percent of total investment in the industry. The dependence of China's textile machinery industry on cotton spinning equipment is as high as 60 percent. Statistics show that in the first three quarters, cotton spinning frames totaling to 6.49 million spindles were sold, an increase of 59.1 percent year on year, automatic winder added up to nearly 1,300 units, up 97.73 percent year on year. Sales of combing machines and blowing-carding combined units more than doubled. In addition, investment growth of knitting and dyeing industry exceeded 20 percent in the first three quarters this year

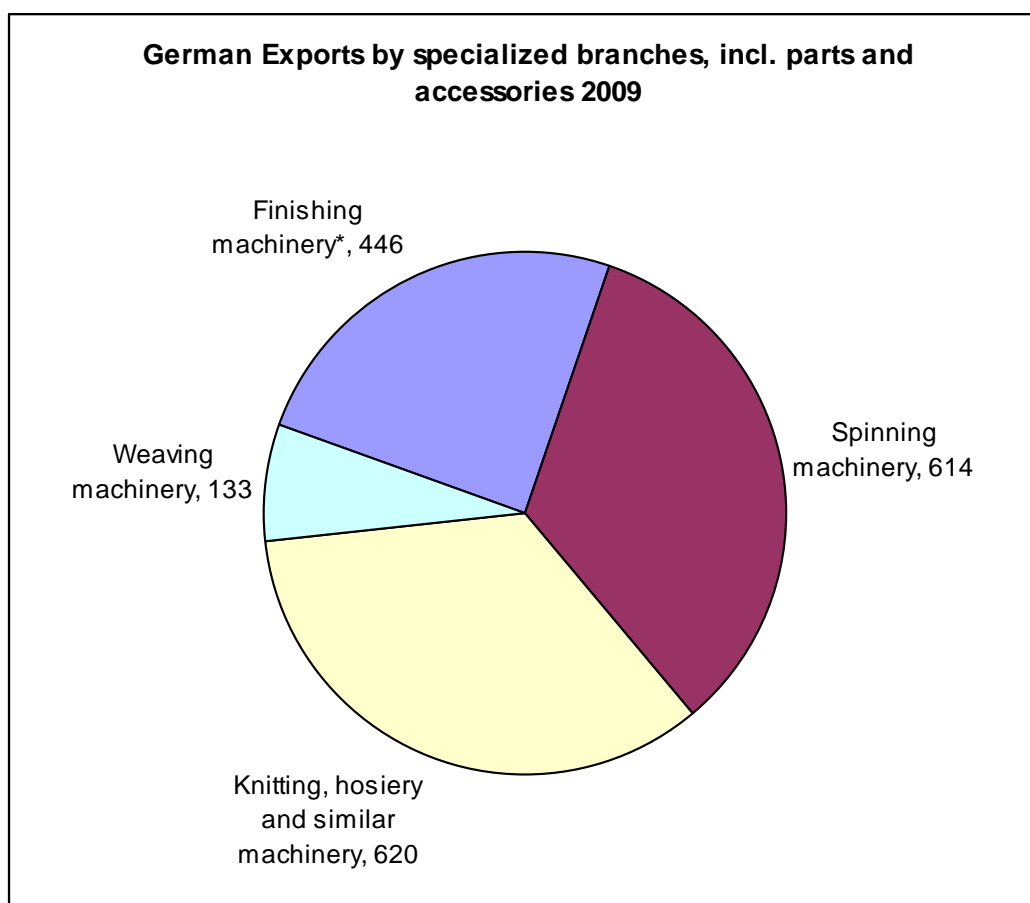
With the rapid development of textile industry, China's textile machinery industry also got an opportunity to grow and develop and in the process became the world's largest textile machinery manufacturer. But the scale of China's textile machinery enterprises is small in general, with low technological content of products. At present, China-made textile machinery and equipment account for 80 percent of domestic textile machinery market. The financial crisis has exposed shortcomings of the industry, such as low technical content of existing products, low profitability; therefore, it is imperative to carry out industry adjustment and transformation. From export situation, China's textile machinery exports are mainly concentrated in Asia, and since many countries are facing adjustment of product structure, demand for high-end and technologically superior textile machinery will gradually expand. China's industry has obvious advantages compared with textile machinery manufacturers in India, Pakistan, Bangladesh and Turkey, particularly in cotton spinning equipment, polyester processing and printing and dyeing machinery. This year is a crucial year for textile industry and enterprises to increase structural adjustment and realize industrial upgrading. The government has specified that the percentage of high-tech products in sales should increase. This increase, according to the policy paper, should be 60 percent from the original 40 percent and the proportion of funds allocated to research and development fund as a percentage of sales should increase from 2 percent to 5 percent.

Germany

According to the VDMA, 55% of overall exports of German textile machinery in 2009, representing 1.8 billion Euros, went to Asia. The two big volume markets alone, China and India, imported German textile machinery and accessories of around 628 and 161 million Euros respectively. In January and February 2010, exports to China rose by 37% to 83 million Euros compared to the same period the year before. Besides China, exports to other Asian countries showed clear stimulation of the market: Iran 6.8 million Euros (+50 %), Thailand 4.1 million (+42%), Vietnam 1.7 million (+35 %), Bangladesh 2.7 million Euros (+8 %), the VDMA said.

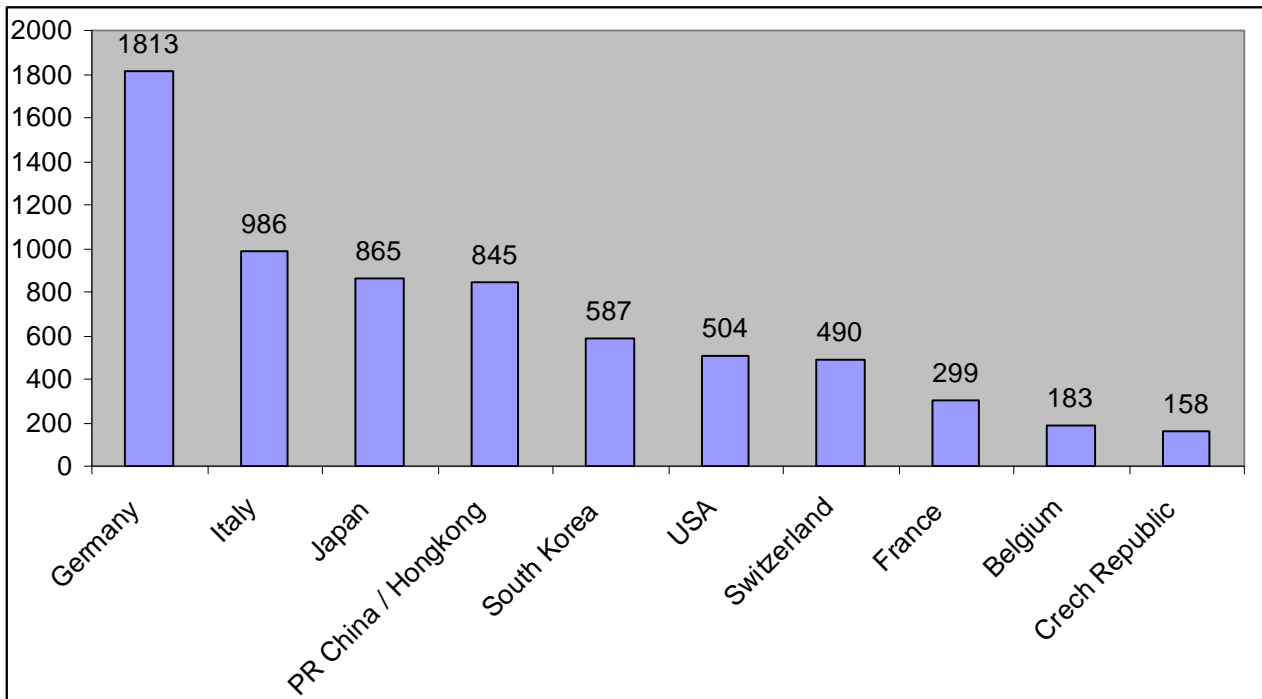


Million €



International textile machinery The leading exporting countries 2009

Million €



**Estimated total exports worldwide:
7800 Million €
42 countries**

Italy



Orders for Italian textile machinery grew over the second quarter of 2010, which closed with an overall index of 159.5 points for the period from April/June, amounting to a 35% increase compared to the previous quarter. In market terms, the orders index processed by ACIMIT, the Association of Italian Textile Machinery Manufacturers, indicates a 40% increase abroad and a 5% increase in Italy. Commenting on the data, Sandro Salmoiraghi, President of ACIMIT, stated that “the growth in orders is a satisfying element, but the recovery has more or less equally rewarded other machinery manufacturing Countries as well, so that competition on

international markets is even fiercer than in the past.” Forecasts for the third quarter of 2010 provided by producers indicate an essentially stable situation in all segments for Italy’s domestic market. More consistent signs of optimism are coming from foreign sales. “The orders coming in over the next three months” affirms Salmoiraghi “will be decisive in understanding whether the recovery marks a real reversal of trends.”

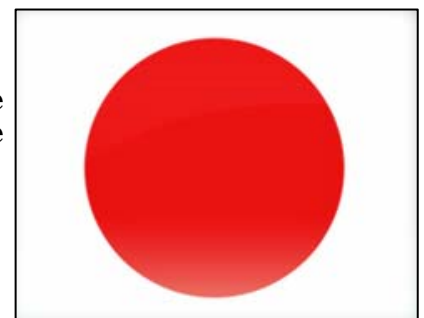
Recovery for textile machinery slows, but doesn’t stop over the third quarter of 2010; orders for Italy’s textile machinery manufacturers slowed their course somewhat, following the steady recovery under way during the year’s first two quarters. According to economic trend surveys conducted by ACIMIT (the Association of Italian Textile Machinery Manufacturers), orders of

textile machinery for both the domestic and foreign markets appear to have dropped off compared to the previous quarter (-17% and -2% respectively). The total value generated is 152.7, a 4% decrease with respect to the second quarter, but remains nonetheless higher than values recorded in 2009. The race to attain order placements matching pre-crisis levels thus appears to have been momentarily put on hold this past quarter. Abroad, the slowdown effectively seems to be just a pause, following strong growth in orders recorded between end of 2009 and the first few months of 2010. "The worst of the crisis is now behind us - declares Salmoiraghi, the President of ACIMIT- but there's still a great deal of uncertainty for the future. The euro's continued strength and higher prices for raw materials are obviously worrisome signs for manufacturers, and especially for exporters, as is the case for companies in our sector".

The value of Italian textile machinery export in January / August is 961 million euro (+37% on same period of 2009) and the value of Italian textile machinery import is 277 million euro (+63% on same period of 2009). And estimation for the production in 2010 will have a value of 1806 million euro.

Japan

Japan is also an important hub for Textile machinery, below is trade data for production, import, export, order and sales of textile machinery in year 2010.



Production

| Sr. No. | Machinery | Total January-June 2010 | |
|---------|-----------------------------|-------------------------|-------------------|
| | | Amount (million Yen) | Previous year (%) |
| 1 | Chemical fiber machinery | 14,168 | 195.1 |
| 2 | Spinning machinery | 7,469 | 645.0 |
| 3 | Preparatory machinery | 15,965 | 274.4 |
| | Cotton reel machine | 12,720 | 317.9 |
| | Other preparatory machinery | 3,245 | 178.6 |
| 4 | Loom | 18,661 | 529.1 |
| 5 | Braiding machine | 32,121 | 163.0 |
| 6 | Dyeing Finishing Machinery | 2,246 | 131.0 |
| 7 | Other Textile Machinery | 2,010 | 120.7 |
| | Total production | 92,640 | 226.8 |

(Source) Ministry of Machinery Industry Statistics

Export

| Sr. No. | Machinery | Total January-June 2010 | |
|---------|--------------------------------------|-------------------------|-------------------|
| | | Amount (million yen) | Previous year (%) |
| 1 | Chemical fiber machinery | 3489 | 247.6 |
| 2 | Spinning machinery | 11,677 | 482.1 |
| | Cotton spinning machinery | 1,825 | 313.0 |
| | Wool spinning machine | 3,737 | 6920.4 |
| | Other spinning machines | 6,115 | 342.6 |
| 3 | Preparatory machinery | 19,053 | 216.9 |
| 4 | Loom | 20,197 | 499.9 |
| | Loom (weaving width of 30cm or less) | 24 | 52.2 |
| | Loom (weaving width over 30cm) | 20,173 | 505.1 |
| 5 | Braiding machine | 28,236 | 141.9 |

| | | | |
|---|----------------------------|----------------|--------------|
| 6 | Dyeing Finishing Machinery | 2,439 | 151.8 |
| 7 | Other Textile Machinery | 704 | 141.4 |
| 8 | Supplies Department | 16,555 | 167.5 |
| | Total Exports | 102,350 | 210.9 |

(Source) Ministry of Finance customs statistics

Import

| Sr. No. | Machinery | Total January-June 2010 | |
|---------|---|-------------------------|-------------------|
| | | Amount (million Yen) | Previous year (%) |
| 1 | Synthetic Machine Preparatory Machinery | 205 | 40.7 |
| 2 | Spinning machinery | 47 | 313.3 |
| 3 | Machine Woven | 291 | 44.8 |
| 4 | Braiding machine | 943 | 71.0 |
| 5 | Dyeing Finishing Machinery | 830 | 60.6 |
| 6 | Other Textile Machinery | 3,401 | 129.1 |
| 7 | Supplies Department | 7,583 | 204.5 |
| | Total imports | 13,300 | 130.3 |

(Source) Ministry of Finance customs statistics

Orders and Sales

| Sr. No. | | Total January-June 2010 | |
|---------|-----------------|-------------------------|-------------------|
| | | Amount (million Yen) | Previous year (%) |
| 1 | Library Orders | 83,902. | 257.7 |
| | Domestic demand | 2,645 | 111.8 |
| | External demand | 81,257 | 269.2 |
| 2 | Total sales | 63,700 | 196.4 |

(Source) The Economic and Social Research Institute Cabinet Office Order Statistics

References:

- ACIMIT
- VDMA
- JTMA
- TMMA