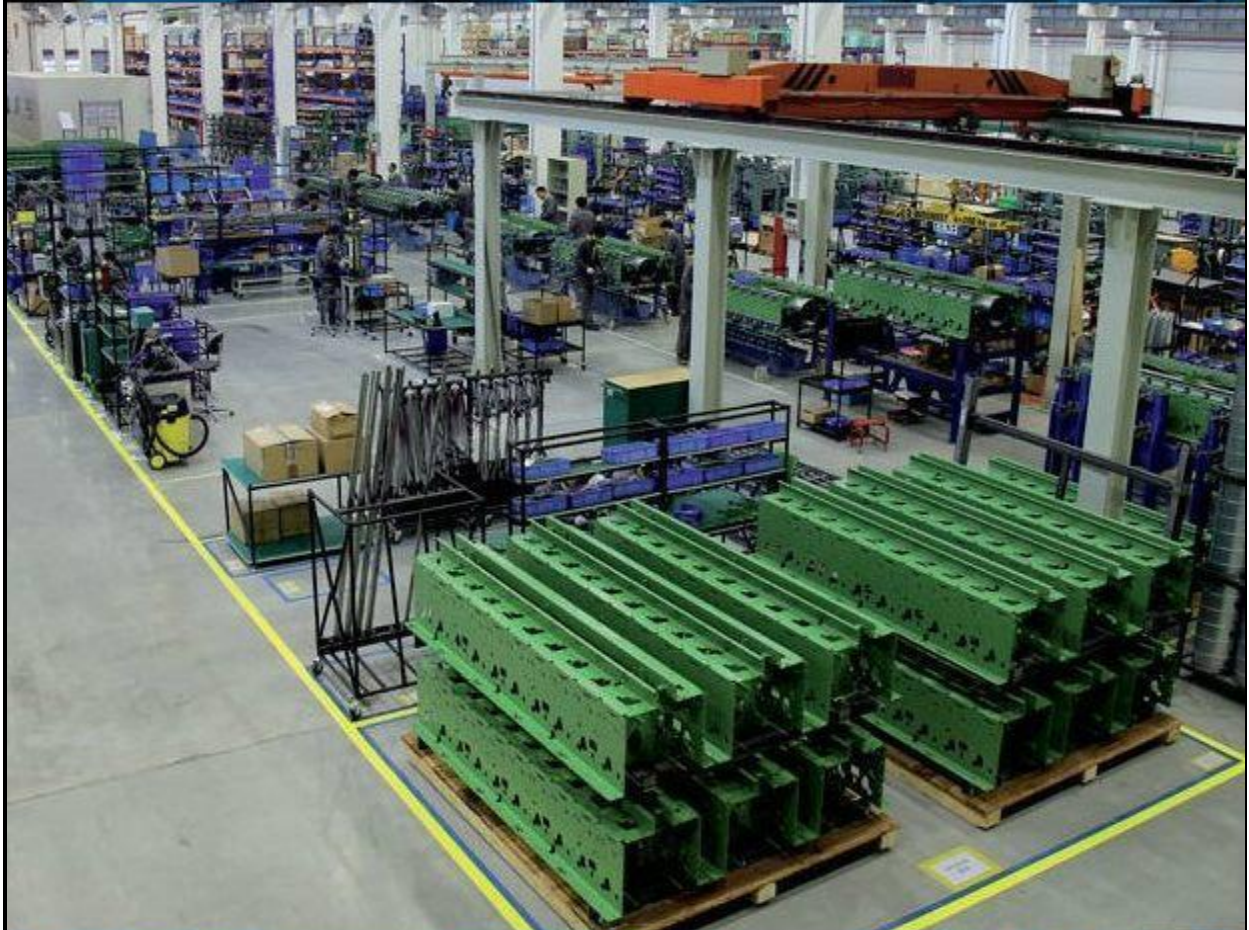


Overview of Global Textile Machinery Industry



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Fibre2Fashion.com

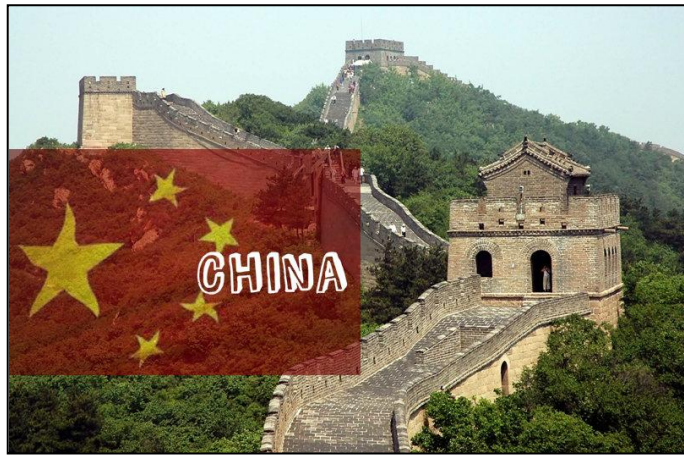
Overview of Global Textile Machinery Industry

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Textile is one of the major sources of employment generation. Textile machinery is the backbone of this sector. With every passing day demand is increasing for new equipments. Textile machinery industry requires great investments in research, deep know-how, long experience in textile, mechanic and electronic fields. Therefore countries having a first class production are few. Here is a look at the textile machinery market of a few countries.

China:

China started manufacturing machines nearly 80 years ago. Ever since China's open policy came into existence, the country's textile machinery trade started growing in the past decade, and today, China's machinery industry plays a significant role in catering to global as well as domestic demands. With a rapid development of textile industry, China's machinery industry also advanced drastically. Currently, the country's textile machinery sector



holds a significant position in generating foreign exchange revenues, and developing its economy. Its textile machinery comprises of 80% of the domestic textile machinery market.

As far as textile machinery exports of China are concerned, Asia is the major market. During 2011, output value of China's textile machinery industry was 107.367 billion Yuan. This is a 27.44% year-on-year increase comparatively over the previous years. Profits showed a year-on-year increase of 27.81% and were 7.143 for the same period. Textile machinery sector of the country is mainly concentrated in the provinces of Shandong, Zhejiang, and Jiangsu, covering 80.73% of the total sales. Revenues of the China Textile Machinery Group Corporation were CNY 4.83 billion.

India:

Textile industry in India is considered as a pioneer industry, as India's industrializations in other fields have succeeded through the resources generated by textile industry. Though, from the early 1970s to the beginning of liberalization in 1992, the industry tended to be isolated as measures taken by the Government (with the apparent objective

of protecting the cotton growers, the large labor force and the consumers) have constantly eroded its prosperity.



Indian textile machinery industry had been performing extremely well during the recent past years. Machinery manufacturers are investing in expansion and modernization of machinery capacity. Strong demand from both domestic, and export market, coupled with supporting policies from the Government fuels the growth of the industry. Globalization has brought new opportunities for the Indian textile machinery industry. At the same time, the industry also foresees threats and challenges due to cheap imported textiles. The country is in a position to

fight for its share in the global textile machinery market. Apart from depending on its strengths, India also needs to work in removing its weaknesses.

Italy:

Italian textile machinery industry is one of the major machinery manufacturers and its technology is regarded as highest in the global textile machinery market. In 2009, the production of Italian textile machinery amounted to 1.9 billion of Euro, 78% of which (worth 1.5 billion Euros) exported in about 130 countries. Asia (50%) is the main export area, followed by Europe (31%), South America (8%), North America (5%) and Africa (6%).

In 2011 Italian textile machinery production rose from 2.4 billion Euros to 2.6 billion Euros registering an increase of 9% compared with the 2010 figures. Exports remain as the driving force of the Italian textile machinery market. The dynamic nature of the global textile machinery market along with the determination of the Italian textile machinery manufacturers contributed to a sustained growth of the industry. Approximately 50% of the country's machinery sales are to the Asian markets such as Indonesia, India, China, and Japan. Textile machinery is also exported to other markets such as Germany, France, and Russia.



Spain:



European Union is one of the largest exporters of textile machinery in the global forefront. Germany, Spain and Italy trail closely. Among them Spain has come out as an important machinery manufacturer by securing 11th position; worldwide. Machinery and transport equipments comprise one of the five major sectors of Spanish exports during 2011.

Innovation, technological advancements, and diversification play a major role in shaping Spanish

textile machinery industry, securing a retainable position. In Spain, approximately 69 machinery companies gain financial credit worth 245 million Euros. 70% of the total textile machineries manufactured in Spain are exported, to foreign markets, putting the country in par with its French, UK, and Italian counterparts.

Spanish textile machinery industry comprises of small, medium and large scale companies. 90% of the machinery sector in Spain is occupied by small and medium scale companies. Small companies comprise with employee strength of 50 or less, and face tough competition in the global market in terms of price, quality, design and service. The country gives special focus to research and development of its textile machinery sector. Main innovations are done in dyeing, spinning, weaving, and clothing machineries. With the aid of the research centers, machinery companies in Spain are able to manufacture technologically advanced machineries, keeping the demand high throughout the year.

Hong Kong:

Hong Kong depends more on imported machinery for its local textile industry, and also for its trading with the Mainland China. Major textile machinery exports to Hong Kong are Japan, mainland China, Italy, Switzerland, and Germany. The country absorbs a meager portion of the imported machinery, keeping a



larger share to be re-exported. Japanese textile machineries have good quality, and satisfactory after sales services. Due to this, textile machinery imported from Japan has a good market in Hong Kong.

Machinery imported from Taiwan, and Mainland China has price advantages comparatively over machinery imported from other countries. China's entry into WTO is positively expected to stimulate mutual collaborations, which is anticipated to enhance the quality level of Chinese machinery imported into Hong Kong markets.

Pakistan:

Textile industry is the backbone of Pakistan. The country is one of the world's leading cotton producers, and this has ultimately led to the development of their textile, and textile machinery industry. Their textile industry contributes to 67% of the total export revenue generation, comprising of 46% of the total manufacturing activities of the country, employing 38% of the total labor force. Major cities in Pakistan involved in textile manufacturing are in Karachi, Hyderabad, Multan, Faisalabad, and Lahore.



Though, textile industry is the largest manufacturing sector in Pakistan, indigenous manufacturing of machinery cannot be developed and much of the requirement is only met through global imports. Generally foreign firms appoint local agents in Pakistan to provide them with market intelligence updates. Distributor arrangements are mostly met through an exclusive agency agreement.

During March 2012, textile machinery imports from Pakistan fell by 58% to \$19.391 million compared to the import of \$47.120 million during March 2011. Italy is a major trading partner for Pakistan. During the course of time, the two countries have developed friendly ties, resulting in the growth of trade and economic activities. Balance of trade remained in favor of Pakistan, which increased from USD 100 million in 2006-07 to USD 388 million in 2010-11. Textile machinery sales of Italy into Pakistan consist of spinning, weaving, finishing, and knitting.

Turkey:

Located at the crossroads of Southeastern Europe and Western Asia, textile manufacturing in Turkey dates back to the 16th century. Today, it is not only a major source of revenue generation, but has also augmented the country as a leading exporter in the global market.

Textile machinery is one of the major activity sectors of Turkish machinery market. Turkish machineries are more prominent; in the global textile machinery market. It is one of the leading countries; worldwide with high quality level, offering services to big textile brands in various processes. It also maintains activities through an assortment of its own brands with serious level of market domination.



Textile machineries manufactured in Turkey have good market in a global scale. During 2006, its export level was 224 million dollars. The export market further grew drastically to witness a growth of 266 million dollars during 2010. During the same period (2006-2010) a declining trend was observed in the export of textile machinery of other countries such as Switzerland, Italy, Germany and US. On the contrary, Turkey experienced an 18.75% growth in the same period proving

itself as one of the countries with greatest increase rates of textile machinery exports. Currently, Turkey is EU's second largest supplier of textile machinery, only next to China.

Global machinery market is growing drastically with a distinctive progress. With the advancements in technology, automation in textile machinery has seen immense improvement. Latest technologies focus more on flexible, energy efficient and perfect machineries. In the past decades, textile engineering had played a vital role in modernizing the textile sector.