



Pakistan ranks 8th amongst Swiss Textile Machinery importing countries

Interview: Ms. Cornelia Buchwalder, Secretary General, Swissmem.



What in your opinion is the factor behind the global success of Swiss companies and role of Swissmem in the success of the machinery business?

Our industry has worked hard for its today quality reputation. We can look back many years, decades even centuries as the textile machinery sector is one of the oldest-established Swiss industries. Many of the companies in our association of textile machinery manufacturers were founded in the second half of the 19th century, have gone through many ups and downs and have gained an outstanding reputation over time. Having such a long history, the Swiss companies have constantly managed to anticipate changes, developed their business strategy and have continuously evolved.

Swissmem, the association that unites the Swiss mechanical and electrical

engineering industry and associated technology-oriented sectors were founded in 1883. The ability to compete internationally is not a matter of course – it must be worked on. A location able to compete is the basis of success. The commitment of Swissmem applies to Switzerland, the context for work and thought, for this reason, the continuous basic work has made Swissmem into a centre of strategic commercial and employer skills. This allows us to represent the concerns of the sector to politicians, national and international organizations, representatives of employees and the public.

Please comment on the Swiss textile machinery exports to Pakistan?

In 2016 the export of textile machines to Pakistan dropped by 34% to 24.4 Mio Euro. This resulted in Pakistan being the

number eight export country for Swiss textile machines. Even though this figure looks somewhat dissatisfying, it has to be taken into account, that 2014 and 2015 were very strong years for the trade between Switzerland and Pakistan. And also the outlook is promising, a majority of our members sees an increasing order intake from Pakistan for 2017.

Asia drives 46% of worldwide growth. How likely that more and more Switzerland-based company will relocate their production to Asia, due to this market shift?

A majority of our member companies already have a production site in India and China, and many of the Asian markets and customers are supplied from there. Therefore, I currently do not see a trend for further relocation to Asia.



Where in your opinion would Swiss companies stand in the world of tomorrow?

For sure, Swiss companies will also play an eminent role in the world of tomorrow. The ability to innovate and adapt to a changing environment will ensure that Swiss technology and solutions stay indispensable – mainly for high-end and custom tailored solutions.

Strong Swiss Francs as against Euro must have posed challenges for Swiss exporters. Can you elaborate on this?

It is now two years since the Swiss National Bank has abandoned the minimum Swiss franc-euro exchange rate. This was a shock for the whole Swiss industry, as their products got 20% more expensive overnight. But there are also positive aspects about such a dramatic and sudden disadvantage on the global market. Companies have to elaborate on their cost structure and have to act quickly – it keeps them fit and agile. We have not lost a single member due to that difficult economic situation due to the (still) strong Swiss Franc.

The role of the suppliers of technology primarily from Switzerland has empowered Pakistan's textile industry. Many of these companies are vibrant players in today's highly competitive environment. Please highlight the key factors about their sustainability and R&D efforts?

The R&D is part of the DNA of Swiss companies. This is why Switzerland often ranks as an "Innovation Champion" in global analyses. R&D and sustainability aspects go hand in hand and cover the following four aspects: environmental, economic, social and cultural. Often the environmental aspect is primarily taken into consideration. But the other aspects are as important. Machines that improve safety, minimize waste, consume less energy and deliver maximum return on investment are designed and produced in a sustainable way. Building such a machine requires a holistic approach analysing operational efficiency, safety, functionality, productivity, material use, ease of operation and maintenance. Our Swiss industry – often ranking as global innovation champion – develops its machines in taking all these aspects into consideration. ♦

Year-wise Exports of Swiss Textile Machinery		
Year	Exports Mio. EUR	Exports ±EUR%
2008	22.3	-11.1%
2009	11.4	-48.8%
2010	22.3	+95.5%
2011	19.8	-11.4%
2012	15.9	-19.6%
2013	15.3	-3.5%
2014	30.3	+97.6%
2015	37.3	+22.9%
2016	24.4	-34.5%

Source: SWISSMEM.

Exports of Swiss Textile Machinery (Jan-Dec 2016 vs Jan-Dec 2015)				
Country	Rank	Exports Mio. EUR	Exports ± EUR%	Exports Share EUR
World		685.1	-31.4%	100.0%
India	1	90.9	-26.3%	13.3%
China	2	78.4	-16.5%	11.4%
Turkey	3	72.3	-52.2%	10.6%
Bangladesh	4	46.3	+15.7%	6.8%
Germany	5	44.2	-23.9%	6.5%
Italy	6	44.2	-30.5%	6.2%
USA	7	33.4	-40.8%	4.9%
Pakistan	8	24.4	-34.5%	3.6%
Japan	9	24.1	-45.2%	3.5%
Vietnam	10	20.8	-0.5%	3.0%
Czech Republic	11	16.6	+3.7%	2.4%
Uzbekistan	12	12.3	-42.1%	1.8%
Mexico	13	12.3	-38.8%	1.8%
France	14	11.4	-35.0%	1.7%
Thailand	15	11.1	-32.4%	1.6%
Indonesia	16	10.3	-12.9%	1.5%
Taiwan	17	9.3	-72.1%	1.4%
Portugal	18	9.0	+27.5%	1.3%
United Kingdom	19	6.9	-26.6%	1.0%
Korea (South)	20	6.9	-2.0%	1.0%
Algeria	21	6.5	+9.2%	1.0%
Iran	22	5.8	-3.0%	0.8%
Poland	23	5.6	+104.3%	0.8%
Austria	24	5.4	-53.0%	0.8%
Egypt	25	5.4	-61.0%	0.8%
Belgium	26	5.3	-23.1%	0.8%
The Netherlands	27	5.2	-23.5%	0.8%
Brazil	28	4.8	-53.7%	0.7%
Hong Kong	29	4.7	-25.8%	0.7%
Spain	30	4.2	-48.0%	0.6%

Source: SWISSMEM.