

# The Italian textile machinery industry remains strong

by Prof. Dr. Noor Ahmed Memon.

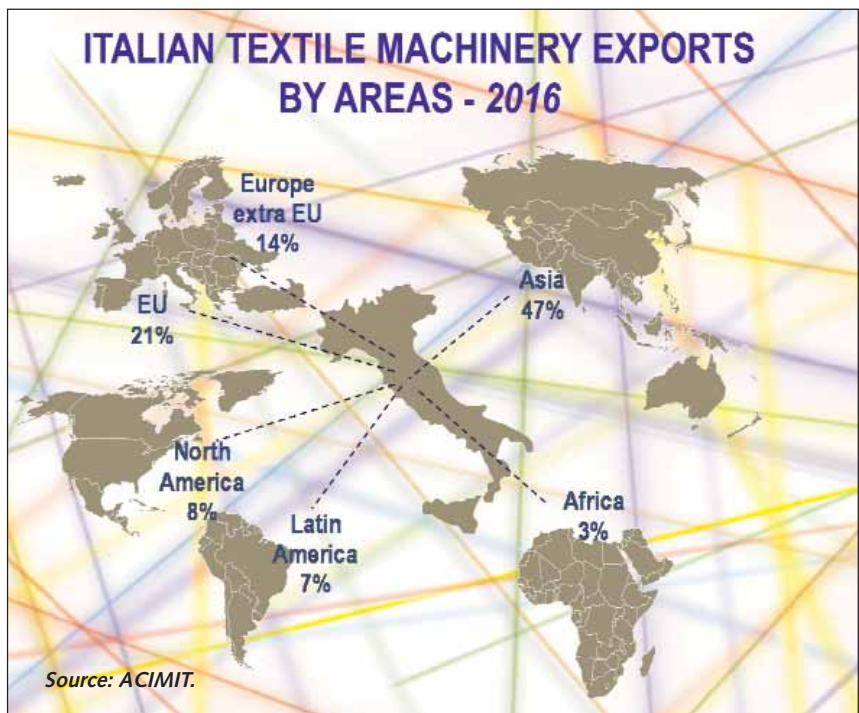
The economy of Italy is the 3<sup>rd</sup>-largest national economy in the Eurozone, the 8<sup>th</sup>-largest by nominal GDP in the world, and the 12<sup>th</sup>-largest by GDP (PPP). The country is a founding member of the European Union, the Eurozone, the OECD, the G7 and the G8. Italy is the eighth largest exporter in the world with \$514 billion exported in 2016. The country's manufacturing is specialized in high-quality goods and is mainly run by small- and medium-sized enterprises. Its closest trade ties are with the other countries of the European Union, with whom it conducts about 59% of its total trade. The largest trading partners, in order of market share, are Germany (12.6%), France (11.1%), United States (6.8%), Switzerland (5.7%), United Kingdom (4.7%), and Spain (4.4%).

The country is also well known for its influential and innovative business economic sector, an industrious (Italy is the second largest manufacturer in Europe behind Germany) and competitive agricultural sector and for its creative and high-quality automobile, naval, industrial, appliance and fashion design. Italy is the largest market for luxury goods in Europe and ranks third in the world.



Dr. Federico Pellegata and Dr. Mauro Badanelli.

The purchase of new textile machinery is the key growth driver of the market. One of the major growth drivers for global machinery market is the strong economic recovery; post-recession, increasing demand for textile products, and environmentally friendly fibres, and a growing demand for the developing nations. Today machinery manufacturers produce textile machineries at





**Table 1: Production and export of Italian textile machinery**  
Value: Million Euro

Year	Production	Exports	% of total Production
2012	2,450	2,034	83 %
2013	2,323	1,948	84 %
2014	2,307	1,947	84 %
2015	2,608	2,243	86 %
2016	2,758	2,324	85 %

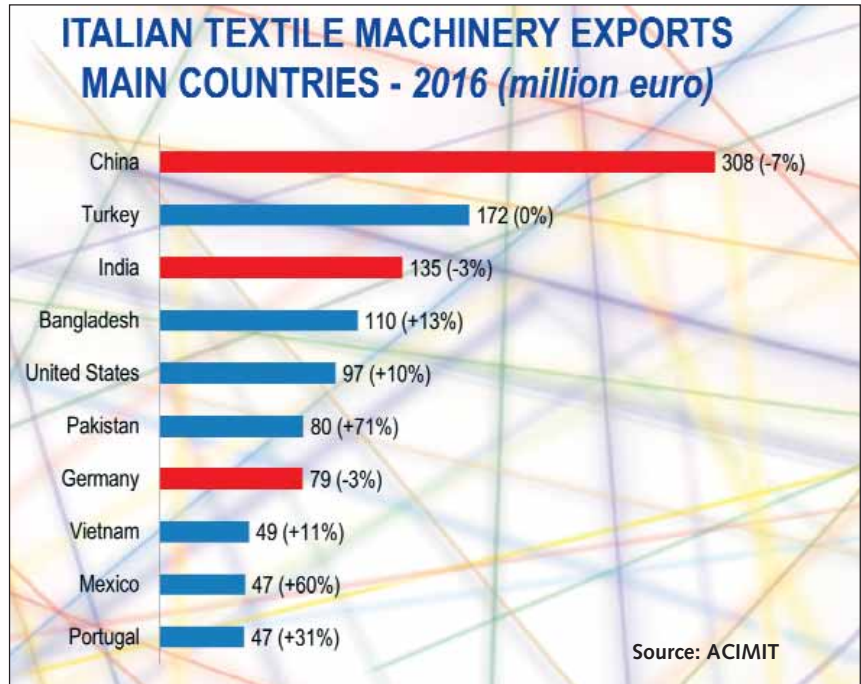
Source: ACIMIT

**Table 2: Italian textile machinery exports (Main Countries)**  
Value: Million Euro

Countries	2016	2015	Growth
China	308	331	-7 %
Turkey	172	172	-0 %
India	135	139	-3 %
Bangladesh	110	97	+13 %
United States	97	89	+10 %
Pakistan	80	47	+71 %
Germany	79	82	-3 %
Vietnam	49	45	+11 %
Portugal	47	36	+31 %

Source: ACIMIT.

competitive prices, and sophisticated machines of higher speed and production capacity. The presence of numerous small scale players also makes the machinery sector more competitive. Along with them, MNCs have also entered the global arena, taking the competition to the next



Source: ACIMIT

level, driving companies to increase their productivity and innovation.

Textile machinery is used to produce yarns, fabrics, and threads and in the finishing processes of the textile industry. There are four major types of textile machinery, namely, spinning, weaving, texturing, and knitting machinery. A report by Global Industry Analysts (GIA) predicts that global market for textile machinery is expected to reach \$22.9 billion by 2017.

Textile engineering industry which started as an offshoot of the textile industry has gone through significant improvements. Market for textile machinery is very dynamic, shifting from conventional to much more sophisticated ones due to constant technological advancements. An increasing market demand for home textiles, furniture upholstery, automobile textiles, and fashion trends also affect the demand for textile machinery.



The Italian textile machinery industry's largest trading partners are neighbouring countries in the European Union, with whom it conducts about 59% of its total trade. Italian market share on the world exports of textile machinery is about 11%.

According to the Association of Italian Textile Machinery Manufacturers (ACIMIT), creativity sustainable technology, reliability and quality are the characteristics which have made Italy a leader in the manufacturing of textile machinery. Currently, Italy holds a strong position as one of the main suppliers of textile machinery in the world. At a world level Italy is one of the main suppliers of textile machinery to China, Turkey, India, Bangladesh, United States, Pakistan, Germany and Vietnam.

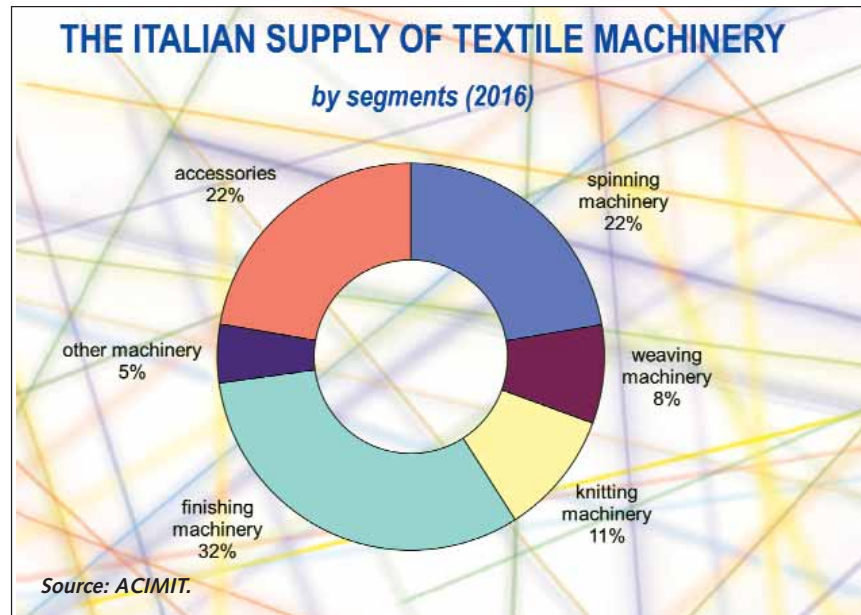
Among the top producers of textile machinery manufacturers in Europe Italy holds second place after Germany and the technological level of its production is considered of the highest standard by the competitors themselves.

In Italy, there are approximately 300 companies who produce textile machines and related accessories, for a total of about 12,000 employees. Italy is today one of main producers and exporters of textile machinery in the world. In 2016, the production of Italian textile machinery amounted to 2.7 billion of euro, 85% of which (worth 2.3 billion euro) exported in about 130 Countries.

Asia (47%) is the main export area, followed by Europe (35%), North America (8%), South America (7%) and Africa (3%). The biggest contribution to the Italian exports of textile machinery came from China, followed by Turkey, India, Bangladesh, United States and Pakistan. The production and exports of Italian textile machinery are given in Table 1.

The supply of Italian manufacturers covers all the classic sectors into which can divide textile machines. During the year 2016 Italian sales abroad are divided among these main sectors: 22% spinning machines, 8% weaving machines, 11% knitting machines, 32% dyeing, finishing and printing machines, 22% accessories and 5% other machines.

The Italian textile machinery industry has been able to grow on foreign markets, due to a weaker euro against



the dollar and some local currencies. Turkey, India, the United States and other Asian countries, such as Pakistan and Bangladesh, are markets that have continued to drive sales for Italian machinery manufacturers. The export of Italian textile machinery (Main Countries) are given in Table-2. The Italian manufacturers are located in areas and towns of ancient textile tradition, where a profitable exchange of experiences with the end-users is a stimulating contribution to the improvement of the machines. The skilled workforce of the sector, providing the necessary know how for the production quality, is a legacy of the Italian textile tradition too.

A majority of Italian manufacturers are actually small to medium sized enterprises that provide the most custom-made spinning, weaving, knitting, finishing, laundry and dry cleaning machines on the market. These machines are studied to process all natural fibres as well as man-made fibres, in order to give a correct answer to all requests of a modern textile industry.

Key success has to be found in the high level of innovation that characterizes production. The topics of Italian R&D activities are energy saving and machine productivity, because industry knows very well that it is important for textile companies to focus on these topics in order to remain competitive worldwide.

Advanced technology, sustainability, versatility, flexibility, excellent quality and price ratio are the main characteristics

that made the Italian machinery an undisputed leader in the world.

The year 2017 has started off on a positive note for Italian textile machinery manufacturers. For the first quarter, orders have increased both in Italy and abroad. ACIMIT president said that orders for the start of 2017 confirm a positive trend in major foreign markets, and a climate of trust for Italy's textile industry that is on the upswing.

The orders index for textile machinery compiled by ACIMIT, the Association of Italian Textile Machinery Manufacturers, for the period from January to March, grew 24% compared to the same period in 2016. The index value stood at 113.7 points (basis 2010 = 100).

This growth regarded mostly markets abroad, where the index came in at an absolute value of 124.1 points (+26%). In Italy, the increase compared to the period from January to March 2016 was 16%, with an absolute value of 71.5 points. The index data for the first three months of the year confirm the positive signs ascertained by businesses in various foreign markets.

## References

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