



# China's role in the global textile industry

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The Chinese economy grew by 6.9% in 2017, compared with 6.7% a year earlier, according to official data, marking its slowest growth since 1990. China is a key driver of the global economy and a slowdown in growth is a major concern for investors around the world. China is the world's second largest importer of both goods and commercial services, meaning its economic performance has a significant impact on the global economy.

Fong's ALLWIN PLUS - High temperature package dyeing machine.



Table 1: Imports of Textile Machinery - 2017  
Value : US\$ 000

Products	Total Value	% of Total
Auxiliary Device and Accessory Parts.	834,104	23.66
Spinning Machinery.	747,367	21.20
Knitting Machinery.	488,611	13.86
Dyeing, Printing and Finishing Machinery.	469,408	13.31
Weaving Machinery.	459,937	13.05
Chemical Fiber Machinery.	400,511	11.36
Nonwovens Machinery.	125,775	3.57
<b>Total</b>	<b>3,525,715</b>	<b>100.00</b>

Source: China Textile Machinery Association. March 27, 2018.

## China's position in global textile industry

Asia-Oceania is estimated to be the largest market for textile machinery defined by a marked shift in demand from traditional machinery to more advanced technologies. Major factors driving growth in the textile machinery market include economic recovery post-recession, rising demand for nonwoven disposable textile products, increasing demand from emerging regions, especially Asia-Pacific, and rising demand for environmentally-friendly fibres.

China is still one of the biggest machinery manufacturers in the global textile arena. The Chinese industry has obvious advantages in the cotton spinning technology, equipment for the polyester industry, nonwovens and textile processing.

Ministry of Industry and Information Technology of China specifies that the percentage of high-tech products should increase in sales from the existing to 60% and the proportion of



**Table 2: Imports of Textile Machinery (Main Countries)**

Value: US\$ 000

Country or Region	Total Value	(%) of Total
Japan	1,078,905	30.60
Germany	1,048,801	29.75
Italy	388,027	11.01
Belgium	173,102	4.91
China Taiwan	159,063	4.51
Other countries	677,817	19.23
<b>Total</b>	<b>3,525,715</b>	<b>100.00</b>

Source: China Textile Machinery Association March 27, 2018.

**Table 3: Imports of Textile Machinery - 2017 (Top Five Regions)**

Value: US\$ 000

Province or City	Total Value	(%) of Total
Jiangsu	1,038,298	29.45
Zhejiang	633,982	17.98
Guangdong	592,789	16.81
Shanghai	264,459	7.50
Shandong	243,074	6.89
Others	753,113	21.36
<b>Total</b>	<b>3,525,715</b>	<b>100.00</b>

Source: China Textile Machinery Association. March 27, 2018.

**Table 4: Exports of China Textile Machinery - 2017**

Value: US\$ 000

Products	Total Value	(%) of Total
Knitting Machinery	1,041,990	30.30
Dyeing, and Finishing Machinery	683,860	19.89
Auxiliary equipment and spare parts	620,475	18.04
Spinning Machinery	416,448	12.11
Weaving Machinery	361,104	10.50
Chemical fiber Machinery	191,747	5.58
Nonwoven Machinery	123,377	3.59
<b>Total</b>	<b>3,439,001</b>	<b>100.00</b>

Source: China Textile Machinery Association. March 27, 2018.

research and development fund of high-tech products in total corporate sales should increase from the original 2% to 5% each year.

At present, China-made textile machinery and equipment account for 80% of domestic textile machinery market.

China is clearly focusing more on technical textiles and the use of high tech automation in textile manufacturing, hence machinery for those industries will move towards China.

In 2017, the revenue from the main business of the textile machinery industry reached 114.927 billion yuan, up 9.64% year on year and increased by 9.13% over the same period of the previous year. The textile machinery industry witnessed a total profit of 8.363 billion yuan in 2017, rising by 23.11% over the same period of last year.

In 2017, the textile machinery industry achieved total fixed assets investment of 26.43 billion yuan, down 11.76% year on year, respectively lower than the manufacturing sector (4.8%) and the textile industry (5.21%).

In 2017, China Textile Machinery Association conducted a survey of key enterprises. The results showed that the total turnover of the sector was 40.195 billion yuan, up 7.51% year on year and 5.88 percentage points compared with the same period of last year, accounting for 42.39% of the total textile machinery industry. The total profit reached 5.799 billion yuan, a decrease of 2.38% year on year, accounting for 85.53% of the industry. The loss lowered by 35.92% year on year to 39 million yuan, while the scale of loss reached 13.64%.

**Imports:** According to the Chinese Customs, the import and export of China's textile machinery were totalled US\$ 6.965 billion in 2017 with a year-on-year increase of 25.47%. The exports increased by 15.41% year on year to US\$ 3.439 billion while the imports amounted to US\$ 3.526 billion, soaring 37.13% year on year.

The total imports from 61 countries and regions in 2017 total US\$ 3.526 billion, an increase of 37.13% year on year. Imports of textile machinery during 2017 are given in **Table 1**.

In 2017, the major countries and regions of textile machinery import were dominated by Japan, Germany, Italy and Belgium. The top five saw trade volumes of US\$ 2.848 billion, up 38.20% year on year, accounting for 80.77% of the total. The statistics regarding imports of textile machinery by major countries are given in **Table 2**.

The imports from Japan ranked first, which amounted to US\$ 1.079 billion, up 57.12% year on year, of which: spinning machinery saw a trade volume of US\$ 258 million, soaring 48.47% year on year.

The imports of textile machinery from the EU accounted for more than 80% of total trade volume, while the imports amounted to US\$ 1.891 billion, an increase of 32.61% year on year. Specifically, the auxiliary equipment and spare parts showed a trade volume of US\$ 561 million, up 5.28% year-on-year, accounting for 29.68%.





Thirty provinces and autonomous regions all over the country saw different figures of imports during 2017. Jiangsu, Zhejiang, Guangdong, Shanghai and Shandong provinces and cities ranked the top five, accounting for 78.64% of total imports. Jiangsu Province ranked first with total imports of US\$ 1,038 million, an increase of 41.21% year on year, accounting for 29.25%. **Table 3** shows the imports of textile machinery in the top five provinces and cities.

**Exports:** The Chinese textile machinery witnessed total exports of US\$ 3.439 billion in last year, an increase of 15.41% year on year. The exports of China textile machinery are given in **Table 4**.

Knitting machinery exports amounted to US\$ 1.042 billion, up 13.26% year on year, accounting for 30.30%, ranking first, followed by dyeing and finishing machinery, auxiliary equipment and spare parts, spinning machinery, weaving machinery, chemical fibre machinery and nonwovens machinery.

In 2017, China's textile machinery was exported to 181 countries and regions. The top five major trading partners and regions are shown in **Table 5**.

**Future Prospects**

Rapid industrialization and subsequent economic development in China over the last decade have contributed to a significant rise in Asian textile production. The market for textile machinery is dynamic, shifting from conventional to much more sophisticated machines 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.

In 2017, the Chinese textile machinery industry benefited from the continuous recovery of the global economy, the stable growth of the domestic macro economy, the overall stable operation of the textile industry, and the recovery of the international and domestic textile market demand, overcoming the unfavourable factors such as the large increase in factor costs. The main business income and profit of the textile

**Table-5: China Major Trading Partners of Textile Machinery - 2017**

Value: US\$ 000

Country or Region	Total Value	(%) of Total
India	678,807	19.74
Vietnam	384,132	11.17
Bangladesh	32,3645	9.41
Indonesia	183,033	5.32
United States	169,153	4.92
Other Countries	1,700,230	49.44
<b>Total</b>	<b>3,439,000</b>	<b>100.00</b>

Source: China Textile Machinery Association March 27, 2018.

machinery industry grew by a large margin, and the import and export trade volume showed a double-digit growth. After the export value of textile machinery products fell slightly in 2015 and 2016, the export value in 2017 reached a record high.

In 2018, the demand for equipment renewal and upgrading in the domestic market of textile machinery will be further released. In the international market, with the accelerated pace of industrial transfer in the textile industry and the steady progress of the "Belt and Road" initiative, the textile machinery industry is still expected to continue to function smoothly.

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