

German textile machinery: Maintains world export champion

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Germany's economic growth slowed substantially in 2018, but the Eurozone's economic powerhouse appeared to have avoided a technical recession in the fourth quarter as strong domestic demand countered weaker export sales.

Makers have been hit by poorer sales following signs of a world economic slowdown and political uncertainty surrounding Brexit and the trade war between the US and China.

The UK, U.S and China are all among German makers' biggest markets. Germany is the most reliant of all of the major global economies on trade and signs that the world economic cycle is past its peak has led to an outbreak of pessimism among the country's manufacturers.

The international business of textile machinery is supposed be world's crucible for the highest form of technology, the highest standard of quality, and the highest level of development. With the advent of technical literacy among the textile manufacturers there has been a consistent improvement in the machines. Today the developing countries also ensure that the textile sector uses the latest technology to manufacture quality clothing.

Countries like Germany, Japan, Italy, United States of America, China, etc. are leading the world in technical growth as

far as textile sector is concerned. As a matter of fact, Germany is among the top countries in textile machinery advancements. It has occupied the topmost position with regard to size among the European Committee of Textile Machinery Manufacturers. The wide ranges of textile machinery and the secondary parts or equipment manufactured by the German companies have surpassed almost all the other countries in the world.

The rise in technical textiles has also ensured that the German companies earn profits by exporting technically advanced machinery to China, United States of America, Mexico and India.

Developed countries have also experienced a consistent growth in demand for textiles and this has paved way for the need of more sophisticated and result-oriented machines. The German machines have proven to be a boon for such countries. Apart from technical textile machinery, the German companies have been exporting spinning, weaving, knitting and finishing machinery since several decades. The spinning machines export has registered a rise; whereas, the knitting machinery export has reported a decline of 29% in last couple of years.

Table 1: Region-wise share of German Textile Machinery Exports

Region	Share	
	2018	2017
Asia	50.4%	51.6%
Europe	32%	33.1%
North America	9.6%	8.7%
South America	4.5%	4.3%
Africa	3.5%	2.3%
Total	100.0%	100.0%

Source: German Textile Machinery Association, VDMA.

The German textile machinery manufacturers, comprising of medium and small sized companies exported machinery and equipment of 3.1 billion Euros in the preceding financial year.

Germany's closest competitors are Switzerland and Italy; however, at least in comparison to Italy, Germany has reported larger turnover. In terms of sustainability, German textile machines are second to none. The countries that purchase German textile machinery and equipment benefit in terms of cost in long run. The primary cost for a German machine pays off after a few years following low maintenance costs and reliability in production. Globally, there are not many suppliers that can compete with the superiority and sustainability associated with German technology.

Exports

For more than fifty years now, Germany maintains the position of world export champion for textile machinery. German manufacturers deliver state-of-the-art machines, tailored to the customers' individual requirements, offering solutions to any problem within the individual steps of yarn and textile production. There is a particular request for utmost flexibility, because of a tendency to the production of different qualities in small batch size.

German textile machinery is in use in more than 150 countries all over the world. The companies' on-site presence along with the continuous support and information they supply the textile companies with is essential in order to establish and maintain long-lasting and good relationships with the customers.

Today, textile machinery engineering is one of the important branches of engineering and plant construction in Germany. The industry occupied a staff of 11,800 and produced textile machinery and accessories worth euros 3.5 billion. With an export rate of 95%, the industry is one of the strongest engineering branches in terms of exports.

Spinning: In 2018, German spinning machinery exports reached euros 1,541 million, representing a share of 46% of



the total German textile machinery export value. China is the most important market for German textile spinning machinery, followed by India, Turkey, USA, Uzbekistan and Pakistan.

Weaving: In 2018, the German manufacturers exported weaving machines worth euros 155 million, representing a share of 5% of the total German textile machinery export value. China is the most important country of German textile weaving machinery in 2018, followed by Turkey, USA, Italy, India and Uzbekistan.

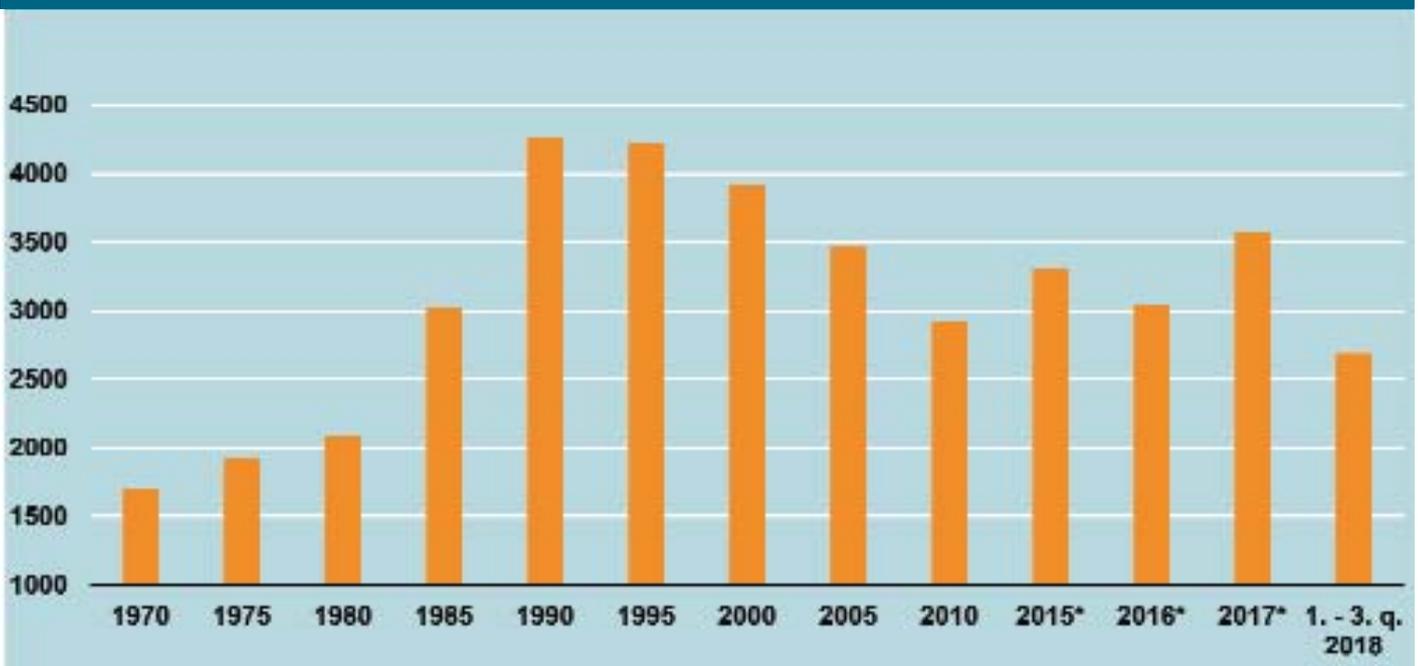
Finishing: This machinery is used to provide fabrics, knitted fabrics or nonwovens with specific properties for particular purposes. German manufacturers exported finishing

machinery worth 833 million euros in 2018 representing a share of 25% of the total German textile machinery export value. China is the most important country of German textile finishing machinery in 2018, followed by USA, Turkey, Egypt, Czech Rep. and Bangladesh.

Knitting: Textile fabrics can also be formed by producing knitted fabrics or hosiery. Knitted fabrics have also gained importance in the field of engineering, e.g. as geotextiles, filtration fabrics, insulation material, in medical engineering and other areas.

Knitting machinery is divided into circular knitting machines and flat knitting machines. Flat knitting machines allow for knitting and making up at the same time;

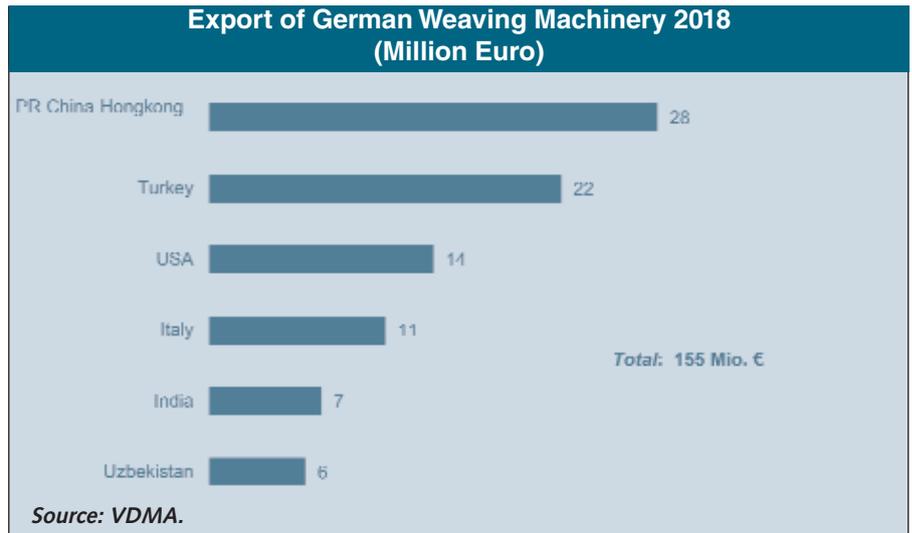
Production of German Textile Machinery (Million Euros)



it takes only about half an hour to produce a seamless pullover. Warp knitting machines use another principle. Several threads are fed to needles that move simultaneously and at the same time formed into loops. Now up to 80 metres of knitted fabric can be produced per hour.

Nonwovens: The production of nonwovens and technical textiles see growth rates worldwide. In application areas like the automotive and filtration sector, business is strong. The demand of nonwovens products like personal care wipes and floor coverings is increasing significantly while the hygiene sector is still the main nonwoven end-use application area.

However, Europe is still a very important market, especially for technical textiles and nonwovens. The rise in technical textiles has also ensured that



the German companies earn profits by exporting technically advanced machinery to China, USA, Mexico and India.

Until 2022 the global production of nonwovens will in-crease with annual

rate of around 6.3 % to over 13.6 million tonnes. The greatest share in the market is, so far, represented by nonwovens for industrial and medical engineering purposes, followed by nonwovens for home and household uses and applications in the building branch. Accordingly, suppliers to the automotive industry or manufacturers of medical and hygiene nonwovens are important consumer branches for the 52 manufacturers of machinery and accessories for the nonwovens branch affiliated within VDMA.

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