

German textile industry looking for future “Perspectives 2035” study

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The economy of Germany is a highly developed social market economy. It has the largest national economy in Europe, the fourth-largest by nominal GDP in the world, and fifth by GDP (PPP). Germany is a founding member of the European Union and the Eurozone.

Germany recorded the highest trade surplus in the world, making it the biggest capital exporter globally. Exports account for 41% of national output. The top 10 exports of Germany are vehicles, machinery, chemical goods, electronic products, electrical equipment,

pharmaceuticals machinery, transport, basic metals, food products and plastics.

The coronavirus pandemic has left deep scars on the German economy and society at large. Eleven million applications for short-time work were filed in Germany between February and May 2020 alone. Almost all sectors of the economy were hit by the recession in 2020.

In the spring of 2020, experts were still anticipating a solid economic recovery and GDP growth of 5.2% in 2021. The

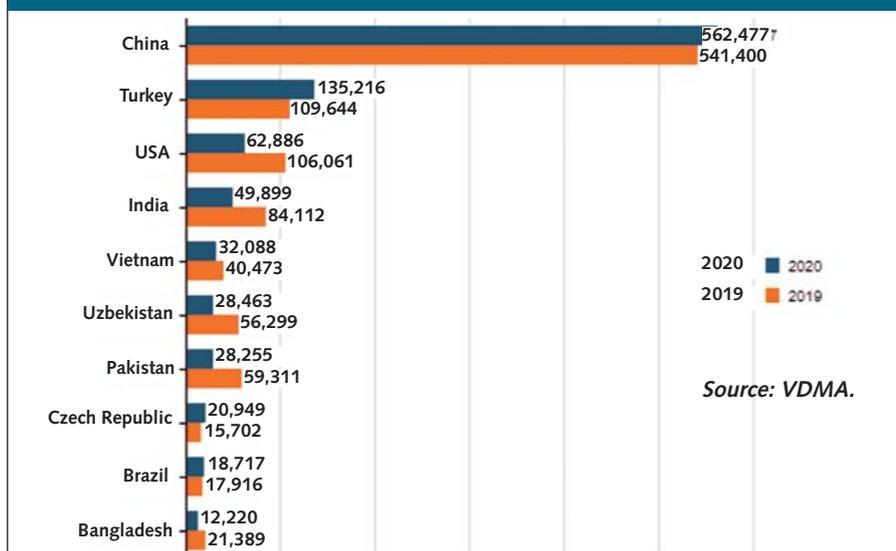
autumn forecast estimated growth of 4.4% in 2021.

Textile Machinery

The German mechanical engineering industry plays a prominent role in developing and realising sustainable solutions, such as effective solutions for new energy concepts and effective handling of scarce resources. The VDMA, the German Textile Machinery Association, has assumed patronage of the Blue Competence sustainability initiative, which aims to interconnect all of Germany’s mechanical engineering industry. It pools the resources, know-how and strengths of VDMA members. Textile machinery is one of 30 different mechanical engineering branches within Blue Competence and can be designed for the different demand profiles of the textile manufacturer, depending on the textile product and the specific process. In other words, the textile producer directly affects the specific energy usage in many ways.

The VDMA accompanies digitalization efforts of its members with numerous strategic and practical initiatives, studies and guidelines. Recent examples include a whitepaper that provides assistance in getting started with Big Data projects and highlights the challenges and opportunities of the necessary corporate

Export of German Spinning Machinery 2020 (000 Euro)



Source: VDMA.

change. The VDMA Start-up-Machine, helps members in a practical way to transfer a new and often different innovation culture into their companies: Start-up Radar screens global start-up trends and identifies suitable cooperation partners from the international start-up scene.

Today, textile machinery engineering is one of the important branches of engineering and plant construction in Germany. Textile machinery is used by more than 150 countries all over the world.

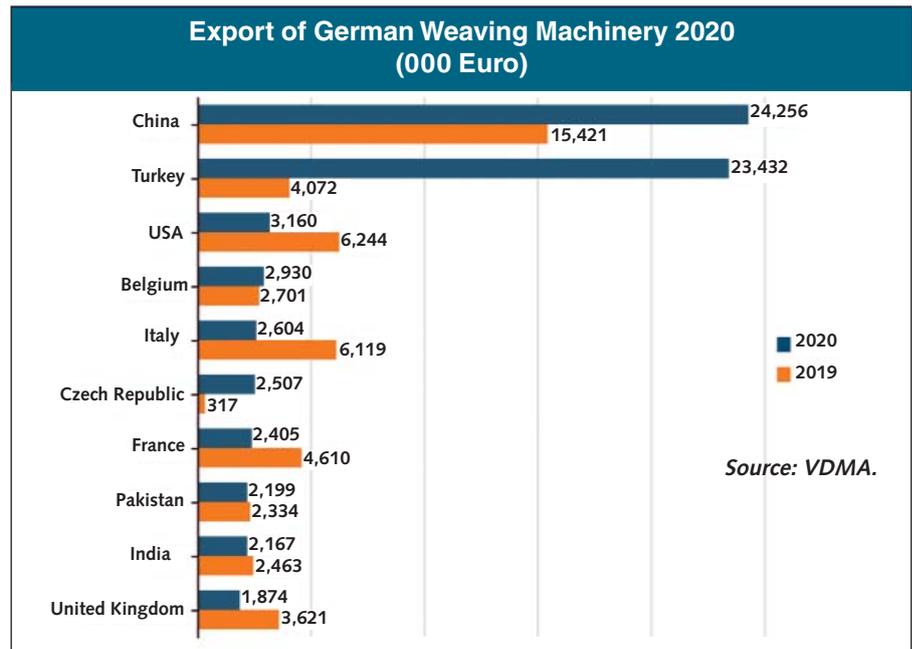
About 120 of the most important manufacturers of textile machinery and accessories from all sectors of the trade are affiliated with the VDMA Textile Machinery Association. The largest parts of the companies are medium-sized firms and stand for approximately 90% of the entire sector volume and produced textile machinery and accessories. In 2020, the branch exported textile machinery worth about 2.098 billion euros.

German textile machines are exported all over the world with their major clients being China, India, Turkey, USA, Italy, Brazil, Mexico, Pakistan and Bangladesh.

In 2020, German spinning machinery exports reached euros 1.1 billion, representing a share of 52% of the total German textile machinery export value. China is the most important market for German textile spinning machinery, followed by Turkey, USA, India, and Vietnam. Country-wise export of German spinning machinery are given in graph.

In 2020, the German manufacturers exported weaving machines worth euros 84.2 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 2020, followed by Turkey, USA, Italy, Belgium and Italy. Country-wise export of German spinning machinery are given in graph.

German manufacturers exported knitting machinery worth 223 million euros in 2020 representing a share of 11% of the total German textile machinery export value. China is the most important country of German textile knitting machinery in 2020, followed by Turkey, Czech Republic and Italy. Country-wise export of German spinning machinery are given in graph.



German manufacturers exported finishing machinery worth 666 million euros in 2020 representing a share of 32% of the total German textile machinery export value. China is the most important country of German textile finishing machinery in 2020, followed by USA, Czech Republic, Poland, Turkey and Bangladesh. Country-wise export of German spinning machinery are given in Graph.

German manufacturers exported knitting machinery share of 8.8% of the total German textile machinery export value.

China is the most important country of German textile knitting machinery in 2020, followed by Turkey, Czech Republic and Italy. Country-wise export of German knitting machinery are given in graph on the next page.

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.

The VDMA member companies offer solutions for the entire textile chain. The portfolio covers machinery and accessories for spinning, nonwoven, weaving, knitting, hosiery and finishing (washing, bleaching, dyeing and drying).

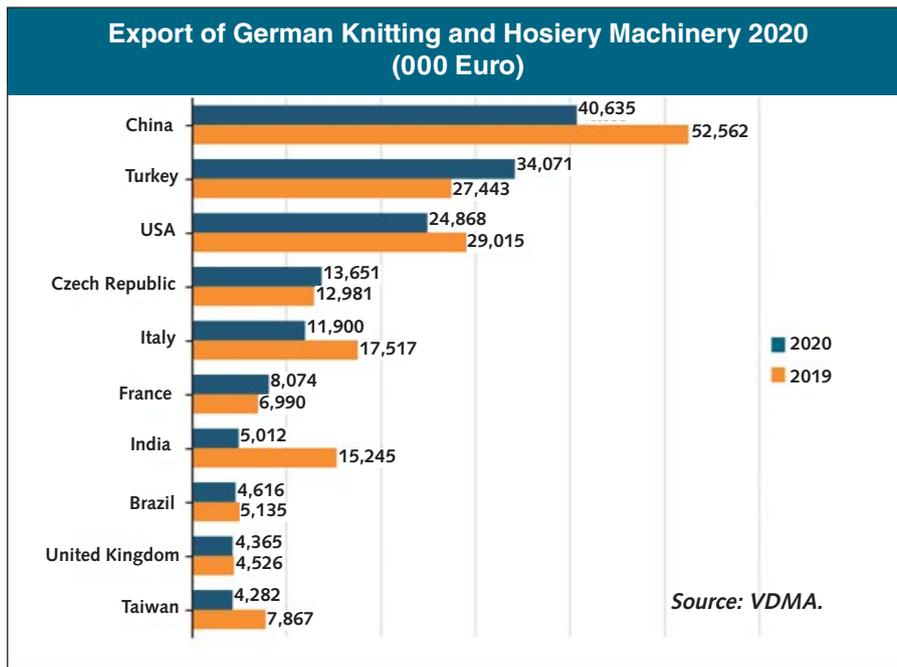


Future Prospects

The general conditions for the textile machinery industry and for mechanical engineering as a whole are characterized by great uncertainty. Internationally, protectionism continues to increase and a final settlement of the United States - Chinese trade conflict is not expected in the near future.

The economic decline has continued in 2020. A drastic market revival is not yet foreseeable. At the same time, digitalization continues to progress. It is a challenge for existing processes and traditional structures, but at the same time opens up opportunities for new services and business models.

Industry 4.0 sector, and energy-efficient technology extending from spinning to finishing – German Textile



Machinery Association VDMA is playing a major role in the global textile apparel manufacturing industry.

VDMA's goal is to increase the competitiveness and innovativeness of its members and to secure the future viability of the textile machinery industry. For this reason, the economic and technical representation of the industry's interests, networking and exchange of experience as well as professional services are the focus of its work.

The German textile industry is looking to the future with its "Perspectives 2035" study. Experts from the textile and clothing industry and research as well as member companies of the association and the office discussed possible future paths for the industry development in five workshops of the Textile Research Board. ♦

