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ITMF is an international association for the world's textile industries, dedicated to keeping its worldwide membership constantly informed through surveys, studies and publications and through the organization of annual conferences.

„Depending on the segment investments in NEW textile machines developed differently in 2013 in comparison to 2012. Approx. 11.6 million new short-staple spindles (+10%), 443'200 new open-end rotors (-2%) and 507'000 new texturing spindles (-29%) were shipped globally in 2013. The positive short- and medium-term global economic outlook is good news for the global textile industry. So is the rise of per capita consumption in connection with a growing global population.

#### **About ITMF**

The International Textile Manufacturers Federation (ITMF) is one of the oldest non-governmental and non-profit international trade organizations founded in 1904. The Federation's main objectives are:

- to provide an international forum for discussion,
- to provide a neutral meeting ground for textile trade associations for the exchange of information,
- to act as a central agency of the textile industries for the collection of information and statistics,
- to act as spokesman for the world textile industry in matters relating to raw materials (cotton and man-made fibers) and
- to perform the functions of a liaison agent between the textile industries and governments and intergovernmental organizations interested in the textile industry.

The Federation comprises members from the textile, textile machinery and fiber industries on all five continents embracing the major part of the world's textile production. Its members convene annually for the ITMF Annual Conference. While the topics discussed at the Annual Conference are relevant to the international textile and allied industries, the rotation of the conference venues offers the unique opportunity to the respective host countries to present themselves and their textile industries to an international audience. The ITMF Annual Conference 2014 will be held in Beijing/China from October 16-18, 2014 ([www.itmf.org](http://www.itmf.org)).



#### **ITMF Publications**

ITMF publishes on a regular basis a variety of publications that serve the purpose of providing statistical and non-statistical information that assist in identifying ongoing changes and developments in the global textile and allied industries.

Among its various publications the oldest publication is the so-called "International Cotton Industry Statistics", which was introduced in 1958. It informs annually about the installed spinning and weaving capacities in every country around the world as well as the raw material consumption of cotton, cellulosic and synthetic fibers.

The "International Textile Machinery Shipments Statistics" that is published annually since 1974 compiles each year in cooperation with the world's leading manufacturers of textile machinery the shipments by country of destination of new ring spindles, open-end rotors, draw texturing (false twist) spindles, shuttle- and shuttle-less looms, large circular and flat knitting machines as well as a selection of dyeing and finishing machines.

Published annually since 1979 in cooperation with four textile machinery companies, the “International Production Cost Comparison” examines in a very detailed way based on individual cost factors the production cost structure of yarn (spun and textured) and fabric (woven and knitted) in Brazil, China, Egypt, India, Italy, Korea Rep., Turkey and the USA.

The so-called “State of Trade Report” shows on a quarterly basis country-by-country changes as well as regional and global developments of production, stocks and orders in the spinning and weaving sectors (short-staple) in the most important textile producing countries.

The publication “Country Statements” shows data in tabular form relating to the general economic situation, textile manufacturing capacities, production levels and trade in textiles for both the short-staple and pan-textile sectors, accompanied by a commentary for each country and a global summary.

### ***The Global Textile Industry since 2000***

With the conclusion of the Uruguay-Trade-Round in 1994 the members of the World Trade Organization (WTO) had agreed on the integration of the textile and clothing sectors into the general framework of the WTO. After more than 40 years this initiated the termination of the traditional quota-regime by the end of 2008.

The gradual opening up of the Chinese economy since the early ‘80s and at a later stage the formal integration of China into the framework of the WTO at the end of 2001 accelerated the process what is generally known as globalization. Both developments have led to an ever more integrated world economy and have certainly contributed to increase global trade. Global trade of manufacturing products soared between 1990 and 2012 by almost +480% from 2’391 to 11’490 billion USD. Global exports of textiles increased by +140% from 104 to 286 billion USD, whereas global exports in clothing increased by +292% from 108 to 423 billion USD.

The global financial and economic crisis of 2008/2009 led to a strong decline in demand and investment which resulted in shrinking GDPs, lower trade, higher unemployment levels and saving rates and finally into a global recession.

According to IMF data global output fell in 2009 by -0.7%. While advanced economies shrank by -3.7% in 2009, the growth rate in the emerging and developing economies was positive at +2.8%. This was mainly due to the booming economies of China and India, which grew by +9.2 and +6.8%, respectively. In 2010 global output bounced back to +5.3%. The growth rate in the emerging and developing economies reached +7.5%, with India and China as outperformers with growth rates of +10.6% and +10.4%, respectively. Also the advanced economies recorded a strong rebound of +3.2%. Between 2011 and 2013 global output growth fell back to around +3-4%. The advanced economies were contributing modestly to global output with the Euro Area finding itself in a recession in 2012 and 2013.

The forecasts for 2014 and 2015 are positive with global output expected to reach +3.7% and +3.9%, respectively. Both advanced and emerging/developing economies are expected to accelerate their growth rates. Also the Euro area is expected to leave the recession behind.

World trade contracted by -10.9% in 2009 hurting export-oriented economies considerably, but jumped back in 2010 to pre-crisis levels (+12.9%). In 2011 and 2012 world trade slowed to +6.0% and +2.7%, respectively and stabilized in 2013 (+2.7%). In line with the forecasts for global GDP also the forecasts for global trade in 2014 and 2015 are indicating a strong acceleration to +4.5% and +5.2%, respectively.

The global textile industry has been hit very hard by the global financial and economic crisis. Global demand for textiles and clothing dropped considerably, especially in advanced economies like the USA, the European Union and Japan due to falling consumer confidence and rising unemployment figures. In developing countries like China and India with huge domestic markets demand remained relatively strong.

ITMF’s State of Trade Report (STR), in which data of yarn and fabric production in major textile producing countries is published on a quarterly basis, confirmed the general downward trend since the second half of 2008. But since the second quarter of 2009 the STR-data show a strong rebound in global yarn production driven by Asia in general and China in particular which continued up to the 3rd quarter of 2013.

The latest available STR-data for the 4th quarter of 2013 show that production fell compared to the previous quarter but was up year-on-year. Global fabric production was up both against the 3rd quarter and year-on-year.

A closer look on how investments in new textile machinery have been developing since the start of the new Millennium helps to better understand the significant increase in textile production that has been going on during the past 13 years.

**ITMF's International Textile Machinery Shipment Statistics**

According to ITMF's "International Textile Machinery Shipments Statistics" (ITMSS) global shipments of new textile machinery had experienced a tremendous expansion between 2003 and 2007 in almost all textile machinery segments. This was mainly a consequence of high investments in new machinery of the textile industries in Asia in general and in China in particular in view of the phasing-out of the before-mentioned quota system.

To show the scale and scope of this investment boom let us have a closer look at the segment of short-staple spindles. In 2002 shipments of short-staple spindles reached around 3.5 million annually. In the following years this number jumped to 8.1 million in 2003 to 12.8 million in 2007. In other words investments in short-staple spindles were 260% higher in 2007 compared to 2002. During this period Asia's share increased from 75% in 2000 to 94% in 2007. This was mainly the result of huge investments in China and India whose shares in 2000 stood at 21% and 23%, respectively, but jumped to 47% and 29%, respectively in the year 2007.

Global shipments of new textile machinery suffered a severe setback during the global financial and economic crisis in 2008 and 2009 compared to the huge investments in previous years. In comparison to 2007 global shipments of short-staple spindles plummeted by -34% back to 8.6 million spindles in 2008 and reached only 7.1 million spindles in 2009, equivalent to a further drop of -18%. Nevertheless, this investment level was still considerably above the ones prior to 2003. While also Chinese investments dropped considerably in 2008 (by -39%), its share of global investment remained unchanged. Against the global trend Chinese invest-

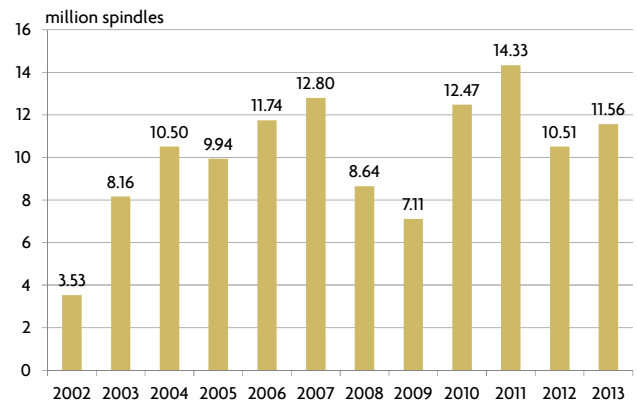
ments in short-staple spindles jumped to 5.04 million in 2009, a plus of +37%.

After recording declining shipments in 2008 and 2009, global investments in spinning and texturing machines soared in 2010 in line with the very strong and fast recovery of the global economy. This surge in investments was mainly driven by strong growth rates in emerging economies like China and India. Global shipments of short-staple spindles jumped to 12.5 million, an increase of +75%. This was the second highest amount after 2007 (12.8 million). 96% of all new spindles were destined for Asia with China alone absorbing 63% or 7.9 million. Again India was distant second with 2.4 million new spindles installed in 2010. In 2011 shipments of short staple spindles amounted to 14.3 million, a new all-time high. China alone was responsible for 8.9 million spindles or 62% of all shipments, followed by India with 2.5 million, Bangladesh and Turkey with 0.6 million each and Indonesia with 0.5 million.

In 2012 shipments of short-staple spindles reached 10.5 million, a reduction of -27% in comparison to 2011. China absorbed 6.4 million spindles or 61% of all shipments, followed by India with 1.9 million, Indonesia with 0.6 million and Turkey with 0.4 million. The strongest increase of shipments was recorded in Indonesia (+15%).

In 2013 11.6 million short-staple spindles were shipped globally, an increase of +10% compared to 2012. China absorbed 6.2 million spindles or 54%, followed by India with 2.2 million or 19%, Indonesia with 0.76 million and Turkey with 0.57 million.

**Short-Staple Spindles Shipments**



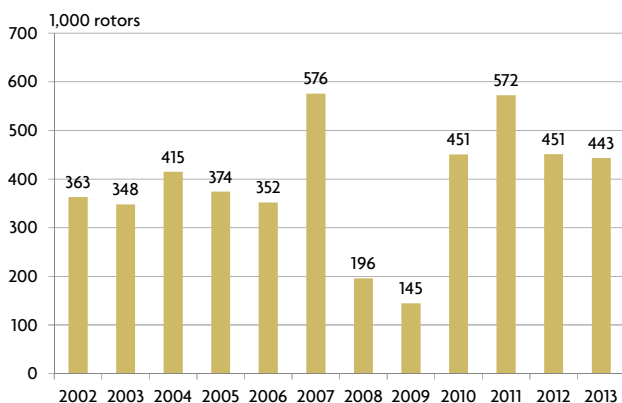
**Open-End Rotor Spinning Machinery Shipments**

In open-end rotor spinning machinery the development was similar though not quite as pronounced with the exception of 2007. After high investments levels between 2002 and 2007 of between 363'000 rotors (in 2002) and 576'000 rotors (in 2007) global shipments plummeted in 2008 by -66% to 196'000 and by -26% in 2009. In 2009 Asia was installing 83% of all new rotors. Also in this spinning technology China was in recent years by far the largest single investor absorbing most of the times more than 50% of all rotors shipped. In line with the decline of global investments also Chinese investments in open-end rotors continued to fall in 2009 by -11% to only 79'000 after a drop of -70% in 2008. India was the second biggest investor in this spinning technology in 2009 (12'650, approx. 15% of total Chinese investment), closely followed by Brazil (11'500), Kazakhstan (6'400) and Indonesia (6'150).

In 2010 global open-end rotor shipments jumped by +212% to 451'000 rotors, the third highest amount ever. As a region Asia was the main recipient of rotors taking up 83% of global shipments. Like in short-staple spindles China alone absorbed 72% (323'000) of all shipped new rotors, followed by Brazil (24'800), India (24'600) and USA (21'100).

In 2011 a further increase to 572'000 rotors was recorded, the second highest amount ever after 2007 (576'000). China absorbed 68% (388'000) of all shipped rotors, followed by India (38'000), Turkey (35'000), Brazil (30'000) and the USA (12'000).

Open-End Rotors Shipments



In 2012 investments decreased to 451'000 rotors, -21% less than in 2011. China absorbed 81% (364'000) of all shipped rotors, followed by India (19'000), Turkey (17'500), Brazil (11'000) and Uzbekistan (9'000).

In 2013 investments fell slightly to 443'000 rotors (-2%). China absorbed 61% (or 272'000) of all shipped rotors, followed by India (31'000), Turkey (29'000), Brazil (14'000 and Vietnam (14'000).

**Draw-Texturing Spindle Shipments**

Global investments in draw-texturing spindles also saw an enormous boom whose peak was reached already in 2004 when 406'000 spindles were shipped. But also up to 2007 shipments of texturing spindles stayed well above the levels prior to 2004 between 231'000 (in 2006) and 315'000 (in 2005). Like in the spinning segment also investments in draw texturing dropped in 2008 by -34% to only 168'000 spindles. Also in this segment China was by far the dominant investor absorbing between 40% (in 2008) and 86% (in 2004) of total draw-texturing spindles shipped. The next biggest investors in 2008 were Syria, Japan, Vietnam and India.

In 2009 draw-texturing spindles investments jumped by +49% compared to the previous year. This was mainly the result of Chinese investments soaring by +111%. Asia's share reached 89% with China alone standing for 56% of global investments. The next biggest investor and distant second in 2009 was India with 42'000 spindles followed by Thailand, Japan and Brazil.

Shipments of texturing spindles reached an all-time high in 2010 when 581'000 new draw-texturing spindles were shipped worldwide. Prior to 2010 the record level reached 406'000 spindles in 2004. 92% of all new spindles in 2010 were shipped to Asia. China alone absorbed 409'500 (or 70%), followed by India with 53'800 (or 9%), Vietnam with 20'650, Brazil with 19'700, Taiwan with 13'500 and Japan with 12'350.

In 2011 shipments of texturing spindles continued increasing to 828'000. Once again China was the biggest single investor putting in place 625'000 new spindles (75% of global shipments). The next biggest investors were India (37'700), Turkey (32'200) and Brazil (30'200).

In 2012 shipments of texturing spindles were reduced to 718'000 (-23%). By far the biggest investor was again China with 490'000 new spindles (68% of global shipments) followed by India (44'400), Japan and Thailand (36'480 each) and Korea (8'200).

In 2013 shipments of texturing spindles dropped by another -29% to 508'000 (-29%). Once more China was the biggest investor with 367'000 new spindles (72% of global shipments) followed by Japan (30'900), India (21'600), Vietnam (8'600) and Egypt (7'900).

**Outlook**

The global economy finally seems to be recovering slowly from the Great Recession in 2008/2009. At the beginning of 2014 the outlook for the current year and for 2015 is positive. For the global textile industry these are promising signs since global demand for textiles and apparel depends on a growing global economy. While the short-term and mid-term outlooks are relatively promising – despite challenges like volatility in fiber prices, rising input costs (labor and energy) or low margins – the long-term outlook is even better. With a world population that is expected to grow from approx. 6.90 billion in 2010 to approx. 7.66 billion in 2020 and with rising GDP per capita also fiber consumption per capita is expected to grow from approx. 11.7 kg to approx. 14.2 kg in 2020. This translates into total fiber consumption of approx. 108 million tons by 2020, up from approx. 80 million tons in 2010. With other words there will be many more fibers that need to be processed in the future.



**Texturing Spindles Shipments**

