

ACIMIT reports growth for Italian Textile Machinery in 2007

According to a recent report by ACIMIT, the Italian textile machinery industry in 2007 saw its production increase by 3% compared to the previous year, thanks above all to growth in domestic market. The value of this economic surge translates into just under 2.8 billion Euros. The export market held on well with respect to 2006, in spite of an overall performance that fell short in some of the major foreign markets (China and India). The percentage of exports on Italian production of textile machinery remains significant (77%). Forecasts for the current year are being hurt somewhat by the value of the Euro, which remains strong in international money markets, and represents a primary cause for concern among Italian machinery manufacturers for 2008.

Based on data provided by ACIMIT, the Association of Italian Textile Machinery Manufacturers, 2007 has confirmed the recovery in production in the textile machinery sector already under way in 2006.

The overall value of Italian textile machinery produced in 2007 was about 2.8 billion Euros, an increase of 3% compared to the previous year. Similar growth figures in the sector were recorded for exports, whose value, at 2.1 billion Euros, rose 2% with respect to 2006.

This overall positive result for 2007 derives primarily from a recovery in the domestic market, where deliveries by Italian machinery manufacturers surged by 8% on an annual basis.

The resurgence in investments on the part of Italy's textile sector has also been confirmed by import trends, whose value for 2007 exceeded 630 million Euros, with an increase of 10% over 2006.

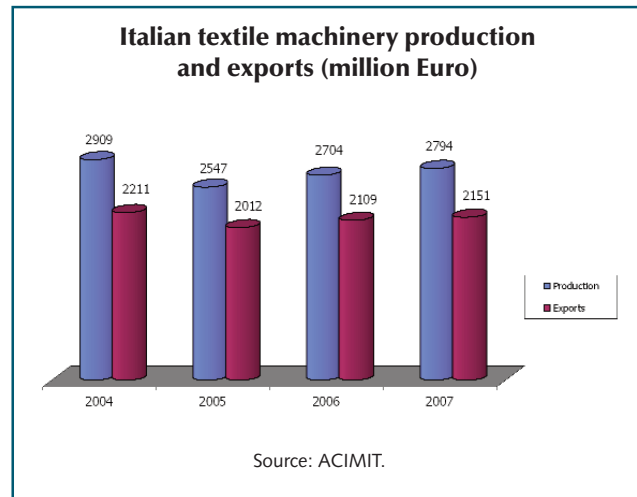
Abroad, the primary markets for Italian manufacturers remain China, where total sales of machinery reached 360 million Euros, followed by Turkey (202 million Euros), and India (135 million Euros). Only the Turkish market, however, registered an increase in exports (+14%).

As for China, Italian exports remained stationary compared to 2006 (-1%), while India exhibited a heavy drop in overall volumes for Italian machinery (-26%). In any case, 2007 was also marked by a recovery for some of Europe's major export markets (Germany, France and Switzerland), and positive growth figures in other traditional markets for Italy's textile machinery industry, such as Brazil and Iran.



Dr. Paolo Banfi,
President ACIMIT.

Paolo Banfi, President of ACIMIT, expressed a moderate satisfaction for the results achieved in 2007, "Of course, these are encouraging signs, but the overall picture is a lot more complex than it appears: some of our sectors are experiencing wide-



spread difficulties. With 2007 being the year of ITMA, the industry's major trade fair event, we were expecting more in terms of orders for new machinery. Instead, following the fair, held last September, the market actually appeared to slow down somewhat."

"Obviously, the global economic crisis is weighing heavily on production trends," continues ACIMIT's President Paolo Banfi, hitting a sour note that has the entire industry worried. "In many markets, a feeling of uncertainty for the future prevails.

This in turn delays decisions regarding the remodernization of existing manufacturing facilities. The acquisition of new machinery is therefore postponed, awaiting the outcome of current economic developments."

The greatest source of concern for Italian machinery manufacturers regards the Euro's appreciation against the US dollar. "Italy's dependence on exports in the sector," explains Banfi, "has penalized almost all of our machinery manufacturers, who are committed to foreign markets for a large part of their overall production.

At the Euro's current levels, it will be difficult to remain competitive for very much longer internationally, despite the fact that the quality of our Made in Italy products remains undisputed and is highly regarded by all our customers.

What's needed then," concludes ACIMIT's President, "is a clear commitment by monetary authorities in support of the demands of many European manufacturers, implementing the necessary course of action for slowing the rise of Europe's currency."

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Italian textile machinery exports by areas - 2007

