

German Textile Machinery: Exploring new application fields

by Dr. Noor Ahmed Memon.

With an export quota of 95%, the German textile machinery industry is one of the highest export-oriented branches within the engineering industry. According to the VDMA Textile Machinery Association, in 2007 this sector exported machinery and accessories worth € 3.8 billion and saw the most successful year of this decade, however during the year 2008, the overall exports declined by 21% compared to the previous year. Due to this bad order situation, several companies already had to take drastic measures such as staff reductions and short-time work. Business with textile machinery always has undergone cyclical fluctuations, but what happens actually is the strongest slump since World War II, said Fritz P. Mayer, from VDMA Textile Machinery Association.

The production of textile machines and equipment in Germany amounted to more than € 6 billion, whereof € 4 billion went into exports. Based upon weak economic conditions within the most important markets, the industry had to go through a difficult year. The uncertainty on the finance markets on the one hand and the dependence of the textile industry on state subsidies in many parts of the world on the other hand, impede a well-founded prognosis.

Despite the difficult economic situation, Germany has been able to defend its top position as the leading supplier of textile machinery. The annual turnover now reaches € 3 billion to € 4 billion covering about one-third of worldwide exports of textile machinery. German textile machinery is characterized by its high quality and customer-specific production. In recent years, China has developed into the main textile market in the world. Nonetheless, the German export rate to China increased by shares in nearly all sectors of the textile chain.

However, China was and still is the leading purchaser of German textile technology.

Spinning machinery remained the largest seller of German textile machinery industry with an export value of € 1,099 million in 2008, though it was increasing at a slower pace from 2005. The growth of knitting and hosiery machinery was declined to 8%, to reach € 1,024 million. Germany sold € 660 million of finishing machinery and € 254 million of weaving machinery. Export of German textile machinery is given in Table-1.

Asia the biggest market as it absorbed 47% of the German textile machinery exports in 2008. China is the single largest client in Asia. It alone purchased €779 million of the German textile machines in 2008, thus representing the largest export market for the industry. The second popular German textile machines were for spinning as Chinese / Hk bought € 322 million. The 10 largest export markets for German textile machines and accessories in 2008 were China (including Hong Kong), India, Turkey, United States, Italy, the Czech Republic, Brazil, Saudi Arabia and Pakistan.

According to VDMA figures, in 2008 export of German manufacturers of textile machinery and accessories decreased by 21% to € 3,037 million. With more than half of the exports, Asia was the main export market for textile machinery with the share worth of €1,416 million.

Table -1: Export of German Textile Machinery Value: Million €

Machines	2004	2005	2006	2007	2008
Spinning	828	993	1,407	1,650	1,099
Weaving	640	245	290	351	254
Knitting and Hosiery	640	598	1,217	1,115	1,024
Finishing	496	647	737	684	660
Parts & accessories	1,001	933	#	#	#
Total	3,605	3,416	3,651	3,850	3,037

The parts and accessories are assigned as the adequate machinery field. Source: German Textile Machinery Association (VDMA).

Export of German Textile Machinery - 2008 (Region - wise)

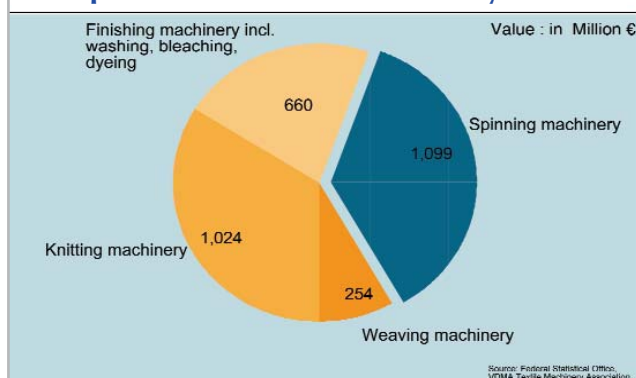


More than 25% of the exports (€ 779 million) were sold to China. The second strongest market is USA, where machines worth € 234 million were purchased. The sales to India, ranked 3rd – decreased to 29.1% to € 213 million. Italy pushed the USA (-5.4%) from the rank of 4th. Top 10 Market of German textile machinery exports is given in Table-2.

Germany is not only known for high-quality machinery, but also for excellent after-sale service all around the globe. In Germany, universities and technical colleges conduct intensive research in the fields of mechanical and textile engineering. As a result, new practical solutions for more modern technologies are explored and implemented in new marketable machinery. Today, there is hardly any area of life without the use of textiles.

Automation construction, landscaping and medicine are just a few examples of the various fields of textile applications. However, the requirements are infinitely different from one another. By creating the so-called “smart textile”, most of these demands could be fulfilled, and German

Export of German Textile machinery - 2008



textile technology contributes to a large extent to this developments. Delivering their products to more than 150 countries, most German companies have already established local subsidiaries and manufacturing facilities in many foreign markets. Their main purpose is direct contact to their customers and flexibility to react faster to the ever-changing trends in the textile world.

This proximity to the target markets guarantees the best preconditions for fast deliveries of tailor-made plants and flexible system solutions. This innovative character of production enables customers to produce competitive textiles to prevail in the market.

The trend setting player in the German Textile machinery has never stopped to explore new application fields which provide them with great opportunities.

Economic and Trade with Pakistan

Germany is third largest industrial country of the world and occupies an important place in global trade and finance. Germany is among 11 countries of the fifteen EU members, which joined the Euro Zone on January 1, 1999. Being the largest in size in Europe after Russia, the country is well poised to attract countries like Pakistan who are deficient in Forex Reserves and want to build economy on strong footing.

The German economy is heavily export oriented, with one-third of national output going to the external sector. As a result, exports traditionally have been a key element in German macro-economic expansion. Germany is a strong advocate of closer European economic integration, and its economic and commercial policies are increasingly determined by agreements among European Union (EU) members. At present Germany is one of the most important trading partners of Pakistan. It is the 4th largest importer of Pakistani products and the 7th largest supplier of goods to Pakistan. Trade between Pakistan and Germany is conducted in freely convertible currency in terms of the Trade Agreement signed in 1957. The total trade volume was over US\$ 1.90 billion between the two countries during the year 2007-2008.

Germany is a good market for Pakistani textile products specially readymade garments, bed wear cotton fabrics and knitwear. The main items of exports included cotton fabrics, towels, synthetic textiles, cotton yarn, carpets, bed wear, cotton bags and other made-ups textiles. Besides textile and clothing articles.

Table -2: Top - 10 Exports Markets of German Textile Machinery
Value: Million €

Country	2006	2007	2008
China / Hongkong	953	1,295	779
India	368	301	213
Turkey	236	408	155
USA	192	186	234
Italy	172	175	144
Czech Republic	92	95	82
Brazil	84	80	120
Saudi Arabia	80	90	80
Pakistan	69	55	35
Switzerland	63	65	52
All Others	1,342	1,135	1,143
Total	3,651	3,850	3,037

Source: Textile Machinery Association VDMA.

Germany also imports a variety of other products from Pakistan, which include, leather clothing, leather gloves, sports goods and surgical instruments. Export of textile items from Pakistan to Germany increased from US \$477 million in 2005-2006 to US \$663 million in 2007-2008. Export of textile and other major items from Pakistan to Germany is given in Table-3.

The Government continued to improve and rationalize its import policy with a view to allowing liberal imports of industrial raw materials, capital goods and essential consumer goods. These included usually high imports of machinery, chemicals and other raw materials.

From 1999 through to 2009 with the combined efforts of private and public sector, the textile industry made a rapid development and became the catalyst for industrial growth.

Total investment in textile industry is now being to \$7 billion that has led to improvement in productivity, both in terms of quality and quantity, in yarn, fabrics, home textiles and garments. In the last five years, the textile operators imported more than US \$ 2.48 billion worth of machinery. Import of textile machinery (Major items) from Germany to Pakistan is given in Table-4 on page 36.

Acknowledgement:

VDMA. German Textile Machinery Manufacturers Association. ♦

Table - 3: Export of Textile and other products from Pakistan to Germany

Value : US\$ 000

Product	2007-2008	2006-2007
Ready made garments	207,649	181,053
Cotton Fabrics	81,312	70,981
Knitwear (Hosiery)	76,298	62,480
Bedwear	116,826	118,745
Artsilk and Synthetic Textile	7,401	7,721
Towels	24,276	22,951
Made - ups Articles of Textile	22,288	18,313
Carpets	21,134	20,630
Cotton yarn	7,031	4,657
Leather Clothing	52,734	35,379
Sports goods	46,681	29,186
Surgical goods	39,808	28,892
leather gloves	19,121	14,706
Footwear	13,683	9,132
Rice	13,627	4,104
All others	87,261	101,453
Total	662,608	527,477

Source: Trade Development Authority of Pakistan.

**Table- 4 : Import of German Textile Machinery into Pakistan
(Major Items)**

Value : Rs . 000

Machinery	Unit	2007-08		2006-07	
		Quantity	Value	Quantity	Value
Carding Machines	No	172	364,359	249	460,980
Drawing / Roving Machines	No	147	331,066	101	171,026
Blow Room Machinery	No	127	318,724	104	211,444
Textile fiber Machines	No	10	23,481	15	17,146
Textile Spinning Machines	No	715	153,486	880	337,395
Textile Doubling or Twist Machines	No	4	5,013	12	24,306
Cone / Bobbin Winding Machines	No	29	34,293	107	187,539
Textile Winding Machines	No	114	340,010	450	764,077
Textile fiber Machines	No	38	54,918	126	183,049
Power Looms (Weaving exceed 30 cm)	No	10	16,385	--	--
Other Looms	No	42	27,247	4	2,424
shuttle Looms	No	65	174,247	540	587,815
Circular Knitting Machines	No	4	4,311	12	7,307
Flat Knitting Machines	No	19	5,083	163	34,279
Other Circular Knitting Machines	No	34	41,334	107	106,948
Dobbies Jacquard copy Machines	No	5	1,095	90	56,032
Top and Flat Card Clothing	000 Kg	23	27,339	26	22,514
Card Clothing	000 Kg	20	27,819	28	35,204
Parts of Machines Textile fiber	000 Kg	6	12,100	10	16,171
Spindle Flyer Ring traveler	000 Kg	62	77,870	41	37,269
Spinning Rings	000 Kg	28	34,825	15	16,862
Reeds for Looms	000 Kg	5	2,446	1	314
Healds and Healds Frame	000 Kg	3	2,087	11	8,522
Shuttles	000 Kg	1	564	--	--
Parts of Accessory Textile fiber Machines	000 Kg	30	45,852	64	93,407
Skinkers Needles	000 Kg	97	189,758	93	188,002
Other parts	000 Kg	486	485,711	464	462,106
Total	--	--	2,315,712	--	3,570,032

Source: Federal Bureau of Statistics, Government of Pakistan.

Cultural Relations between Germany & Pakistan

For many years, the Federal Republic of Germany and Pakistan have been engaged in effective scientific exchange, the major component of bilateral cultural relations. The main institutions active in this field are the German Academic Exchange Service (DAAD) and the Alexander von Humboldt Foundation. InWent – Capacity Building International, Germany also offers special grants as part of development cooperation. There are currently some 1,300 Pakistani students studying at German universities and the number is expected to grow.

Preparations for setting up a German Technical University in Lahore – funded by Pakistan's Ministry of Science and Technology – are well advanced. As part of the Federal Foreign Office's global initiative "Schools – Partners for the Future", it is planned to gradually introduce German language instruction at several secondary schools in Pakistan.

In July 2008, pupils of the Aitchison College Lahore, who are already learning German, attended for the first time an international summer camp in Germany organized by the Goethe Institute.

German archaeologists have been active for decades in Pakistan. Since 1979, for example, the project Rock Carvings and Inscriptions along the Karakorum Highway has been conducted with the support of the Heidelberg Academy of Sciences. In Baluchistan, the German Archaeological Institute (DAI) is conducting an excavation project on early settlement structures.

The Art and Exhibition Hall of the Federal Republic of Germany in Bonn is preparing an extensive exhibition of Gandhara art featuring exhibits from Afghanistan and especially Pakistan.

With funds from the Federal Foreign Office's special programme for preserving culture in Third World regions, in 2008 the German Embassy is financing the restoration of a historical mosque complex in Gulabpur, Baltistan. Some years

ago, the audience chamber of the Shigar Fort near Skardu was restored under the culture preservation programme.

The prime mover in bilateral cultural relations is the Goethe Institute in Karachi. In the building housing the Goethe Institute, which is from the Bauhaus era and classified as an historical monument, cultural events are held along with language courses. The Goethe Institute also organizes information events and has set up a library.

Other institutions active in cultural cooperation are the Pakistan German Friendship Association Islamabad (PGFA) and the Goethe Institute-affiliated Annemarie Schimmel House in Lahore, which also offers language courses and a cultural programme. The culture department at the Embassy holds regular film screenings in the Embassy auditorium. Lectures and concerts are also held several times a year. There has long been close cooperation in training between the Deutsche Welle (DW) and the Pakistan Broadcasting Corporation (PBC). ♦