

Textile News

French Textile Machinery Association's President Interview 2015

The president of the French Textile Machinery Manufacturers' Association and president of the NSC group, Bruno Ameline, has given an extensive explanation on his view of the current market situation worldwide, the position of the French textile machinery manufacturers and his forecast. Also, he has pointed out his expectations as well as the importance of the upcoming ITMA for the future development of the textile industry.

Please read below the full article

COURBEVOIE, France — August 28, 2015 — UCMTF groups 30 specialty textile machinery manufacturers, often world leaders on their specific markets. Their total annual consolidated turnover of 1 billion Euros (\$1.1 billion) makes France the sixth textile machinery exporter. They are particularly strong in long fiber spinning, yarn twisting, heat setting, jacquard and dobbies, carpet systems, dyeing and finishing, felts and belts for finishing processes, nonwovens, air and recycling processes.

Interview of Bruno Ameline, president, and Evelyne Cholet, secretary general, UCMTF.

M. Ameline, can you tell us about your experience with the textile industry?

Ameline: I graduated with a master degree from a renowned engineering school in France, Ecole Centrale and started my professional career in aeronautics. I had no prior connections with the textile industry when I joined the NSC group, a family controlled company listed on the Paris stock exchange in 1999 to become its Chairman and CEO.

In 2004, I was elected President of UCMTF.

During these years, I have discovered the fascinating world of textiles. Textile is a technology almost as old as mankind, but still today, it reinvents regularly itself and stands at the spearhead of many high-tech developments. When I think of apparel, I am fascinated by the creativity of designers, by the high quality standards requested by the end-markets, by the fast and flexible logistics achieved by producers and distributors. When I think of home textiles or carpet manufacturing, I am fascinated by the inventiveness of some carpet clusters.

Technical textiles which pave the way to so many new applications and growing at a fast rate are also an impressive sector. Needless to say, I am fascinated by the textile machinery sector, by the ever-increasing productivity of the machines, their reliability, the level of safety now achieved for their users, the automation devices (which can be equally compared to those in aeronautics, I can tell!), and more recently the energy consumption concerns which trigger the latest innovations. I am also fascinated by key industry events like the ITMAs, which attract the whole textile planet for 8 days on the same spot!

I really look forward to a great future for this industry.

Yes, but in Europe the textile industry has shrunk. Has this industry any future in this continent?

It all started with apparel manufacturing, which is labor intensive and which grew a large textile industry in Europe in the 19th and 20th centuries. Textile production then moved to lower labor cost areas and closer to the mass user markets — meaning Asia — although it had become more capital intensive with automation. But many innovations and creativity still originate from Europe. Look at the most prestigious brands in apparel, the designers are based in such places as Paris, London or Milano. Look at technical textiles. In this sector European and American firms are still the most innovative ones and the production is still mostly on their shores. Look at the textile machinery, the

most innovative companies — and many of the largest — are from Europe and ITMA Europe the largest textile equipment event worldwide.

Some companies do relocate in Europe or America to improve their customer's service and take advantage there of some cost differentials like the low cost of energy and the quality of manpower. I do not think that relocation will be a major trend but I believe that the downsizing of the textile industry in Europe has come to an end and that the European textile machinery will continue to play the leading role.

How are the French textile machinery manufacturers doing in this context?

In 2015, in most application sectors we are back to the best levels achieved before the 2008-2010 crisis, many of our companies have achieved record sales and order intakes but there is a lack of visibility in some major markets.

The economic uncertainty and financial turmoil which we are currently observing in China may lead to a real slowdown. It is hard to tell whether the slowdown will accelerate, if it will be a soft landing or whether growth and investments will rebound.

I am more positive about India, the modernization of the textile industry is crucial for its future but investments decisions are slower than we did imagine.

Other Asian markets stay active and the investment mood is still positive in many markets like Indonesia, Thailand, or South Korea. However, the competitive devaluation of the Yuan, if amplified, may create a big challenge to these economies.

The Turkish market has been very active so far thanks to the long term managerial strategies of our Turkish customers but the 2015 economic slowdown, the current political uncertainty with the upcoming elections in November and the sharp decrease of the Turkish currency create some clear signs of attentism.

Iran is the real short term opportunity for the European textile equipment. Modernization is urgent, the entrepreneurs are in the starting blocks, the projects are well advanced, since the Geneva agreement on the upcoming raising of international sanctions. But financial circuits will take time to regularize. Soon, we will probably have more visibility on this promising market.

The US economy is clearly growing, the shale gas and oil resources have created a real gain on American production costs, financing is abundant hence USA should be a positive market for our machines. It is actually the case for some of our members active in specific applications like technical textiles, carpet manufacturing or recycling but, as I already said, I do not think relocation will be a major trend in apparel textiles.

Key markets in South America like Brazil or Argentina are globally severely hurt by their lingering economies and political instability. We are particularly disappointed by the Brazilian market.

Markets like Western Europe, Eastern Europe or Central Asia are doing quite well but are not large enough to compensate for a sluggish China, should the market there decline significantly.

All together, I am positive for 2015 as we currently enjoy buoyant order backlogs, but I feel concerned about a possibly stagnant 2016.

What do you expect from ITMA in Milano?

ITMA 2015 is clearly a must-attend event, particularly in the context of slowing markets. Technical innovation — a genetic attribute of ITMAs in Europe — is a strong lever to activate sales.

Up to now, nearly 104 000 square meters of exhibiting space have been booked; this is already 20 percent more than for the last ITMA in Barcelona. During the last 4 years, the number of equipment manufacturers may have shrunk because of consolidation, but they are all stronger and willing to exhibit their knowhow with increasing presence and larger booths... There will certainly be many

innovations unveiled and an emphasis on energy, water and raw materials savings. ITMA's 2015 motto is "master the art of sustainable innovation", sustainability is certainly a major decision parameter for investing. The French machinery manufacturers have already made inventive inroads into sustainability and we include this ingredient into all our new projects and R&D programs.

In Milano, a record number of visitors are expected from all over the world, they will represent an astonishing number of companies with investments projects.

I believe that the choice of the city where ITMA takes place is of essence for the success of the show. The venue is chosen among European cities which offer the best expo center, travelling and hosting facilities and, it is very important, the greatest attraction power. Milano certainly meets all these qualifications.

Why should ITMA visitors come to the French manufacturers' booths?

Primarily to discover each individual company's innovations. Innovation is in our DNA. Remember Joseph Marie Jacquard, the most well-known textile machinery inventor, he was French! Frenchmen also invented the steam-powered automobile, vaccines, the high-speed train, the supersonic commercial airplane, computer chips on payment cards and much more! France sometimes has a reputation of great new ideas, poorly marketed. This has largely changed, as our textile equipment companies are SME's run by entrepreneurs not by engineers. Innovation is now derived mainly from down-to-earth partnerships with our clients.

Even if SME's, the French equipment manufacturers have set up very effective networks to offer the best service to most remote customers' locations. We support our clients wherever they operate. We do it through our own local service teams, warehouses, agents or distributors.

For the spare parts, our members have been pro-active in opening local warehouses in important markets to deliver the much awaited parts without transportation or customs delays, hence offering a high level of service.

We work with our clients to help them to introduce new products on their markets, to have reliable and cost efficient production processes. This gives us a real competitive advantage.

Copycats are a danger to European manufacturers, how do you deal with this issue?

We absolutely need to protect our intellectual property; it may be our most important asset. Within our association, we have established an active working group on this strategic topic. We will sue the counterfeiters very aggressively. We have strong arguments: our patents, our brands. Most of our customers understand that the "real machine" and original parts is in their long term best interest. We have become very strict concerning the use of counterfeited parts as we cannot guarantee a machine which uses counterfeited parts.

Each company, national associations, the Cematex and the machinery show organizers have to work together on this sensitive issue. In this war against copycats we receive more and more support from the governments, the international bodies and the judiciary systems.

How does your association help its company members?

We meet very regularly and speak very openly about our strategies, projects and concerns. As we offer equipment for complementary processes, we can team up to offer complete lines when our customers want to have one company responsible for its project.

UCMTF Promotion Committee under the chairmanship of our Vice-President International, Christian Guinet, is very active to promote our offer worldwide. Every year UCMTF organizes customer seminars in two countries.

In April 2015, we were invited by Ilkhoom Khaydarov, the Uzbek Minister in charge of the textile industry and Chairman of the Board of the state joint-stock company for the light industry, to organize conferences in Tashkent and Bukhara. These were very well attended by the Uzbek textile companies.

In June 2015, we organized 4 conferences in Iran, in Tehran, Kashan, Ispahan and Yazd. In order to describe and present more precisely our offer, and for us to understand better the Iranian customers' needs and, to really have direct contacts with them, we decided not to make a big event in one place but four regional ones.

Our Promotion Committee also initiated in 2014, during one of such seminars, cooperation with the Russian textile industry. Serguei Rasbrodin, President of Soyuzlegprom, M. Christian Guinet and Mrs. Evelyne Cholet, Vice-President International and Secretary General of UCMTF, signed a Memorandum Of Understanding on April 21, 2015 in Moscow.

How would you wish to conclude?

Worldwide, textiles manufacturers face an array of challenges: open new markets, design new products, produce them in a reliable, cost effective and sustainable way. In order to sail in today's fast changing environment, they need reliable partners such as providers of innovative industrial solutions and cutting-edge technologies.

The French equipment manufacturers are well positioned to be such partners, they have a recognized expertise in finding solutions for critical projects, whatever their scope, whatever their geographic localization. The quality of our client relationships stems also from the high stability of our teams, allowing them to go well beyond the purely technical.

We will welcome all interested parties on our booths at ITMA in Milano.

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Source: UCMTF