

**Press release****Oerlikon Manmade Fibers Segment at ITMA ASIA + CITME 2014****Partner of China's textile industry for 50 years**

From pioneers to market leaders: how cutting-edge technology and the world's biggest textile manufacturer are creating a joint success story

**Remscheid/Shanghai, 16 June 2014 – In 1964 and 1966, Barmag and Neumag, now business units in the Oerlikon Manmade Fibers segment, supplied the first machine technology to China. 50 years on, the export pioneers are highly respected high-tech manufacturers for China and reliable partners of its textile industry, which has made it to the top of the global manmade fibre industry with technology "Made in Germany".**

Visitors to ITMA Asia + CITME 2014 can celebrate a remarkable anniversary with Oerlikon Manmade Fibers this year: 50 years of partnership with the Chinese textile industry. For half a century now, the company has been supplying manmade fibre spinning mills to the People's Republic. The managers of what was then the Remscheid-based Barmer Maschinenfabrik AG in Germany, or "Barmag" for short, laid the foundation back in the 1960s for today's excellent business relationship with the world's biggest producer of polyester and polyamide. Neumag followed shortly afterwards in 1966.

When China embarked on its policy of reform and opening up in 1978, Barmag was once again one of the first German mechanical engineering companies invited to talks regarding investment in the manmade fibre and textile industry. This is no surprise, for the German company already knew how important the concept of "Guanxi" was in opening doors in China. The first successful steps taken into this huge country many years before provided a good basis for this relationship.

**"Guanxi" still plays a significant role today**

A Barmag representative first started to build up the network of personal contacts that is so important. Travelling to China with an industrial delegation for five weeks in 1959, he conducted initial negotiations with official contacts there. These resulted in the first delivery of machinery components to the People's Republic via a local partner in 1964. Just two years later, Neumag also placed its first order.

The decades that followed tell a fascinating story of a successful partnership and of the breathtaking rise of China's textile industry. The road to success wasn't always smooth, but the patient development of relationships, the far-sightedness of the people involved and the convincing attributes of future-oriented machine technology helped to pave the way. Another important step was the establishment of the Barmag Far East agency in Hong Kong in 1973, along with regular organisation of and participation in symposia, seminars, exhibitions and trade fairs in China. Conversely, a number of Chinese delegations were invited to Germany to form their own impression of the latest innovations in Remscheid. These close contacts, including contacts with the Chinese textile ministry, led to the first cooperation agreements with engineering works in Shanghai and Wuxi in 1983.

## **Partners rise through the ranks to market leadership**

Thanks to these contracts, which were later expanded, Barmag subsequently became the preferred partner for investment primarily in texturing machines and manmade fibre spinning plants on the Chinese mainland. Depending on the technology, the market share quickly reached 80 per cent. Soon half of the company's annual turnover was coming in on occasions via the Chinese market. And using the modern technology and know-how of Barmag and Neumag, the Chinese partner firms became leading machinery manufacturers in China. This development was underpinned by the establishment of joint ventures in Shanghai and Wuxi in 1995 and 1996.

China moved into the new millennium with annual growth rates of 20 percent and more to become the number one in the global textile market. In view of the country's growing strength, Barmag concentrated its resources increasingly in the People's Republic. Milestones here are the establishment of companies and plants in the Suzhou Industrial Park in 2002 and 2006 and the successive transfer of the production of texturing machines and engineering, research and development from Germany to China up to 2009. The opening of the new Asian headquarters in Shanghai in 2012 marked a further stage in the company's success story.

## **A real "local player" in China with 840 employees**

Today Oerlikon Manmade Fibers employs around 840 people at plants in Beijing, Shanghai, Suzhou, Wuxi and Hong Kong and is thus a genuine "local player" in China. Oerlikon Barmag and Oerlikon Neumag lead their respective basic product markets. China is now the biggest market not just for the Manmade Fiber segment but for the entire Oerlikon Group, which achieves around 30 percent of its turnover there.

The growing importance of this relationship is based wholly on reciprocity. Countless high-level industry representatives from China have spoken repeatedly during the 50 years of partnership of the innovative machine technology and cooperative spirit that play a key role in advancing the Chinese textile industry. The higher standards relating to fibre and yarn quality, output and productivity, along with the cost reductions achieved thanks to energy efficiency and modern automation, have been instrumental in propelling China to the top of the global textile market and providing it with solutions in the manufacture of mass-produced and increasingly also high-quality textile products right up to innovative technical textiles. "Our cooperative spirit, our responsibility and our competence as a technological trailblazer are all qualities that we aim to demonstrate in the future also to offer our Chinese partners flexible, highly efficient solutions with which they can achieve their goals and meet the challenges of today and tomorrow - for a long-term win-win situation," says Stefan Kross, CEO of Oerlikon Manmade Fibers.

## **For further information please contact:**

André Wissenberg  
Head of Marketing, Corporate Communications  
and Public Affairs  
Oerlikon Manmade Fibers Segment  
T +49 2191 67 2331  
F +49 2191 67 1313  
[andre.wissenberg@oerlikon.com](mailto:andre.wissenberg@oerlikon.com)  
[www.oerlikon.com/manmade-fibers](http://www.oerlikon.com/manmade-fibers)

## **About Oerlikon**

Oerlikon (SIX: OERL) is a leading high-tech industrial group specializing in machine and plant engineering. The Company is a provider of innovative industrial solutions and cutting-edge technologies for manmade fibers manufacturing, drive systems, vacuum, surface solutions and advanced nanotechnology. A Swiss company with a tradition going back over 100 years, Oerlikon is a global player with around 15 500 employees at over 170 locations in 35 countries and pro-forma sales of CHF 3.6. billion in 2013. The Company invested in 2013 CHF 146 million in R&D (pro-forma), with over 1 200 specialists working on future products and services. In most areas, the operative businesses rank either first or second in their respective global markets.

## **About Oerlikon Manmade Fibers**

Oerlikon Manmade Fibers with the product brands Oerlikon Barmag and Oerlikon Neumag is the world market leader for filament spinning systems used for manufacturing manmade fibers, texturing machines, BCF systems, staple fiber spinning systems and artificial turf systems and – as an engineering services provider – offers solutions along the entire textile value added chain. As a future oriented company, the Oerlikon Group segment's research and development is driven by energy-efficiency and sustainable technologies. With the expansion of the product range to include polycondensation systems and their key components, the company now caters to the entire process – from the monomer all the way through to the textured yarn. The primary Oerlikon Barmag markets are in Asia, with Oerlikon Neumag's main markets in the US, Turkey and China. Correspondingly, the companies – with almost 2 500 employees – have a worldwide presence in 120 countries as part of the Oerlikon Manmade Fibers network of production, sales and distribution and service organizations. At the R&D centers in Remscheid, Neumünster and Chemnitz, highly-qualified engineers and technicians develop innovative and technologically-leading products for tomorrow's world.