

THE EXCITING PROSPECTS FOR THE
NONWOVENS INDUSTRY

A TALK BY

J B S BAKSHI

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MR. J. B.S. BAKSHI**Brief Bio Data**

Mr. Bakshi is a qualified Mechanical Engineer from Delhi University after which he undertook Management Degrees from the Ashridge Management College U.K. and on International Business at IMEDE Switzerland an affiliate institution of Harvard University.

His professional management career covered assignments in India, UK and in the United States for three decades was with leading international firms in the polymers, petrochemicals and international business areas.

He is the main promoter along with as co promoter, an affiliate of the Asian Development Bank of Unimin India, India's pioneer in the field of Non Woven Spunbond Technical Textiles. The company has successfully established markets all over the world.

Mr. Bakshi is a well known speaker and he has addressed a variety of audiences all over the world on many subjects. These include talks on Entrepreneurship at the IAS Academy of the Govt. of India , on Career Development at the various IIMs , IIT's, Public Schools etc , on polymers in India and with the Plastics Institute UK and the Role of Emerging India with NRI 's and many other premier organizations in the U.K , Europe and the United States etc .

THE EXCITING PROSPECTS FOR THE NONWOVENS INDUSTRY

Good afternoon,

May I start by thanking the Office of the Textile Commissioner; Govt of India for inviting me for this special opportunity to speak to you about my perspectives of the exciting prospects for the Non Wovens Sector of the Technical Textiles Industry. Incidentally I somehow prefer to refer to the Industry as the Technology Textiles Industry or TT industry for short.

For the next 20 minutes or so I seek your indulgence to do some what of a fast rewind of my last 20 years and more of an event ful journey full of experiences and observations of this very unique industry but more importantly share with you my reading of the key reasons why and how I visualize some very unusually exciting times are round the corner,

I believe that whatever remarkable progress has been staged by India in the IT - Information Technology field in the last decade or so could now potentially be repeated by the TT - Technology Textiles field in the next decade both internationally and more significantly by way of its contribution to the growth and development of the Indian economy.

In 1992 on a visit to Washington in the US I accidentally came across that morning in the local media that the International Nonwovens Show called IDEA was on in town,

I knew nothing about this Industry then.

I was at that time traveling around the world spending a lot of my time evaluating potential idea's in search for some new entrepreneurship venture I could launch in India ; you will recall that India had just announced the first major turnaround of Govt policy towards liberalization and the Indian Finance Ministers speeches were full of the phrase " lets unleash the spirit of entrepreneurship in India . "

My basic and simple parameters and vision for my search were.

- The industry should not exist in India and the initiative should be a pioneering one.
- It should be the latest and very high technology area.
- It should have a great future and a world market and of course be an important field for the growth of the Indian Economy

After my scheduled meetings that morning at the World Bank, I ended up spending my afternoon taking a walk around the IDEA show.

I was fascinated with what I saw. It was quite quickly apparent that I had accidentally and fatefully arrived at the end of my search and to my goal.

At the end of a long walk around I decided to have a cup of coffee at the show restaurant and as I sat down an American gentleman came over and asked for my permission to join me on the table.

I welcomed him.

He then introduced himself as Dr.D.K. Smith - an ex Director on Johnson & Johnson America, Dee and I started chatting and told him how excited I was to accidentally land up at this wonderful show. And most of all that this field seem to meet all my three key search criterion bulls eye.

Whilst walking around the show I had made a point to stop by at the stand of Freudenburg ; the world largest non wovens company and briefly talked with the company's boss who had not sounded too encouraging said to me that India was a long way off from this very specialized industry , a remark which I took sportingly and in fact as a great signal that this was exactly what I actually wanted to hear !!!!

To make a long story short, Dee , post retirement from J & J had become a consultant and by the time we finished our coffee together I had already retained him as my consultant to start with and write for me brief review on my 3 criterion as basic reference

and give me a crystal ball insight to the future of this industry and its most potential segments .

A few months later I had a very good document which in 150 pages succinctly and very percept fully outlined the development and future of the Non Wovens industry and its largest and most important segment : Spun Bond Non Wovens.

Thus began my tryst with the Non Wovens Industry and continues until today.

When I returned to India I had a leading consultancy firm do a Marketing Research Evaluation which concluded quite obviously that there was no market in India and the likely off take by the year 2005 would be a max of 500 tonnes.

I threw away this report and opted to import a few containers of PP spun bond fabrics from Europe to test the market. I think it was 1993 or 1994. The product was introduced into Mumbai & Delhi markets and the initial conceptual positioning was a "Cheaper version of the very expensive Velvet fabric that was setting very well in India at that time.

The experiment was an instant success and this led to my company venturing into this industry. Colloquially the product was given the Brand name "Sardar Sahib ki Jali ." by the karigars of Mumbai.

By the time our project took off in 2002 -2003 , Dee was in that year honoured by INDA through a special citation into the Non Wovens Industry 's hall of fame. I refer to this with a sense of great personal pride of having known him.

Today the TT industry on a global basis is a large, important, growing industry of a significant size of US \$ 120 or 130 Billion last year. In this Non Wovens is perhaps the single largest segment perhaps 30 % or even more.

Statistics apart let me attempt to draw your attention to some of the key macro parameters of the evolving situation for the future.

If one looks at the classic life cycle pattern of any industry in terms of the Embryonic stage ; then the growth and development stage ; then the maturity stage and finally the Ageing stage what does one see here.

1 Almost the entire industry is yet in the growth and technological development stage but more importantly the explosive growth mode lies in Asia and especially in India whereas some very exciting economic growth developments are taking place than in the more mature markets of the world such as the US , Europe Japan etc.

Market penetration % ages in the health , hygiene medical , industrial agriculture sectors have reached levels of 60 - 70 or even 90 % whereas for Asia , and in fact South America , Africa etc are yet at 10 , 15 or around such levels. With these nascent economies now growing very rapidly, we have India's example of the 8 -9 % growth - the huge growing middle class, rising standards of living, education health care, emancipation of women and their leaving the home environment and go out to work, massive investment in infrastructure etc etc are all strong indicators of the dramatic growth prospects for non wovens and TT in general.

India's auto industry is all set to grow into dizzy heights. Every car is 50 100 kgs of non wovens.

Modernization of India's agriculture is the priority of the decade. I believe India's second green revolution will have a lot of key inputs from non wovens. Today the usage is Zero.

The building sector and infrastructure investment in roads, highways is going to digest massive tonnages of geo textiles.

And I can spend the rest of the afternoon enumerating all these great possibilities.

So you have a real explosive market growth situation staring at us ready to be exploited.

There are plenty of reports floating around to give you all the statistics you may need for the future. But please keep in mind

that India believes statistical analysis on markets more often than not.

2 India has all the inherent and intrinsic strengths to be a world class internationally competitive player in this industry.

GOI policies are positioned in a very enabling incentive oriented mode. We have a very attractive TUFSS scheme, Capital Subsidy, an aggressive SEZ development in progress and all the qualified engineering man power talent right here in the country available.

Some of the worlds top Non Wovens plants in different parts of the world are being presently run by Indian Engineers and Technologists. I have been privileged to see many of the leading ones.

But I have a few concerns which I feel need to be kept seriously in mind. Let me review for you a few important ones.

The first is the issue of the economics of scale and technology. There are very tempting opportunities of small capacity, low level technology options that may be available. For these all I would say is please watch out, these short cuts are not going to work.

If the GOI and Indian Industry does not, the story of mini steel plants, mini paper industry will be repeated and the TT Industry would also have missed the opportunity of global competitiveness and quality for ever. The glorious Indian Textile Industry, the world's icon at one time can ill afford to miss the bus again!!!!

The marketing perspective must be International and not just the Domestic market consistent with the need to have an out look of globalization which is the call of the day.

Thirdly please keep in mind that this is an Industry which needs a combination of Management and Technical manpower. A Non Wovens plant needs a very good team of competent Electronics, IT, Electrical and Mechanical Engineers like the IT industry a very good combination of hardware and soft ware.

You cannot make any money in this field if you cannot run the plant for at least 8000 hours plus plus out of $365 \times 24 = 8760$ hours a year

When I first came into contact with this industry plants were run at 100 /150 meters per minute today's norm is 800 /1000 meters per minute.

Energy consumption levels which after raw material cost is the most important cost contributor , are now at half or one third of the first generation plants. On line recycling is a must if you want to make sure of key cost savings.

Flexibility to process a variety of raw material inputs is another important consideration to be evaluated. I am sure this workshop will cover all this.

In spun bonds plants of 1.6 or 3.2 Meters web width were originally in vogue. 1000 to 3000 tonnes capacity per year.

Last year the world first 7 Meter web width multi beam plant was commissioned which could churn out 15000 perhaps 20000 tonnes of fabrics per annum. All this can mean an amazing and effective reduction in capital costs per tonne of production and reflect correspondingly in product competitiveness and product quality.

So it is not a field to be positioned in without deep pockets and without a big volume perspective.

Finally please permit me the liberty of concluding my remarks by touching upon the Buzz word Nano which is the brand name christened by Mr. Ratan Tata a few weeks ago of India 's Rs 1 lakh (US \$ 2500) car which made world news. The morning the news and the Brand name Nano was flashed by the media all over I genuinely felt that the Name had been pinched and snatched away into lime light a bit unfairly as it belongs to the most exciting developments that are on the anvil in the Non Wovens industry.

Nano Technology in the Textile R & D field is the revolution in the making.

Nano Meters in fibers - which means one billionth of a meter , compared with human hair which is 100000 nano meters , the imparting of dramatic properties into fabrics never heard of before , and apparently the potential inroad possibility of Non Wovens encroaching or graduating into the world of durable textiles and apparel from their present status and positioning as disposable fabrics are all with the realms of possibility through the route of Nano Technology work that needs to be closely watched by all of us . Raw material inputs which would be non oil linked but natural fibres , biodegradable are becoming increasingly relevant and viable.

My hunch is that all these are possibilities that will become realities sooner than we think.

So you can see why I reacted the way I did to the Brand Name Nano.

I hope I have triggered a little excitement in the subject and this wonderful industry in your minds.

I think I have taken 23 of the 30 minutes allotted to me but we have 7 more for a chit chat and queries if you have any.

Thank you very much for your attention.