

2017 Digital Textile Industry Review, Executive Summary

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The WTiN intelligence: Digital Textiles channel continues to provide insights into a unique and fast-moving industry that consistently changes and grows. Newer markets start to develop while key markets mature in 2017. The latest round of data shows us that the market still has lots of room to grow.

The digital textile industry continued to grow globally through 2017, with machinery sales helping to push the market to around 1.9 billion sqm of digitally printed fabric globally. China, Italy, India, Turkey and the US continue to dominate, with steady growth rates in some of these large markets. The output volume of digitally printed fabric in these five countries is 47% of the global volume.

The exhibitions and conferences in 2017 once again proved the importance of the industry, with not only new technologies being brought to the market, but also an increase in the awareness of the technology within the wider textile industry. Digital printing not only delivers advantages in fast production turnaround, lower inventory and endless design possibilities, but it also has a significant impact on the environment compared to the traditional printing. Therefore, we have again seen many new installations in different global markets in 2017.

Thanks to the performances of some large global and emerging markets, the full year showed an uplift in output of 22%, which is, although less than the previous year's growth, in line with expectations. Aside from the output rise, global machinery sales have also increased. An uplift of 11% in new installations was seen globally through 2017, pushing the number of dedicated digital textile printers in operation to above 39,000.

It is also important to remember the big picture. With digital printing reaching 1.9 billion sqm, its share in total printing industry becomes 5.5% globally. This number not only indicates its penetration into traditional printing by old-technology machines with new ones, or by increasing capacity, but also indicates the arrival of new businesses. We estimate that almost one-third of our figures represent design houses, web-to-print companies or new conventional print houses that have discovered the potential of digital printing and entered the market.

At a regional level, while Asia and Europe remain the two largest global regions, the industry continues to grow both inside and outside of these two regions in smaller markets. From an output point of view, the 2017 data showed that Asia and Europe saw roughly 37% and 38% market shares respectively. Although the output volume of these two regions is very similar, the unit installations are quite different. The number of printers operating in Asia is almost twice as many as in Europe, because of the underdeveloped nature of the markets in this region. However, in China in particular, there has started to be investments in high-end machinery, which will show its impact on output volume in coming years.

High growth rates in markets such as Pakistan, Bangladesh, Vietnam, Sri Lanka and other South & Eastern Asian countries had a significant impact on the region's growth in 2017. Pakistan has been the fastest-growing market, with a 40% increase in the output volume compared to 2016.

If we look at the market in terms of printing technology, sublimation transfer continues to be an important area for the digital textile market. As printer prices remain stable, lower costs of sublimation printers and processes, and decreasing ink prices, make this technology more popular. We see this trend particularly in the markets focusing on meeting the fashion and sportswear export demand, such as Turkey and Brazil. Some of the Asian printer manufacturers are planning to introduce their more productive sublimation printers to the western markets in 2018.

Government support to improve the textile industry in countries such as Russia and Egypt, and governments' environmental policies in Asian countries, are the drivers of the new investments. It is not only governments that are forcing their manufacturers to reduce their environmental impact, but also global fashion brands are choosing suppliers whose standards help them meet their carbon footprint commitments.

Moreover, cost is a critical factor in the digital printing industry. Companies try to make comparisons to understand the difference in cost between printing a square metre of fabric by digital and traditional routes. High ink prices, especially, are a major concern and therefore we observe that ink is the most contested area of competition in the industry. In the larger markets, some local manufacturers and Chinese brands are cutting prices and putting pressure on the global brands and OEMs. Pigment inks are perhaps the most popular arena for price and quality competition.

From the end-user side, the quality and creative advantages of digital printing are well-known. And from the technology manufacturers' point of view, we have seen developments in new hardware, software, inks and chemicals every year. All these improvements mean that the future is positive for the industry. In 2017, over 1.9 billion sqm of fabric were digitally printed, and the compound annual growth rate (CAGR) of this global industry is projected to be 20% by volume through the period 2017-2021.

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World Textile Information Network (WTIN) is an information provider, delivering unmatched intelligence and insight into the global textile manufacturing industry. WTIN serves the medical textiles industry through must-have market intelligence helping to make informed business decisions.

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