

Opportunities and Challenges Facing the Global Nonwovens Industry

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Nonwovens Industry

nonwovens (non-wovens): n.
unique, high-tech, engineered fabrics made from fibres
and which are used across a wide range of applications
and products. Nonwovens are innovative, versatile and
indispensable. Modern life would be quite literally
impossible without them.

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2016 Nonwovens Growth

- Global nonwovens market increased 5.7% in 2016, reaching a record \$7.1 million
- Increased volumes as well as higher selling prices contributed to gains in the market
- Key highlights included gains in carpet and rug shipments as housing starts recovered

Disposable Applications

- Represents 68% of total nonwovens sales last year
- Baby diapers continues to be the largest disposable market for nonwovens, but high penetration levels has presented challenges
- Filters are the fastest growing disposable category as they displace competing paper and woven media

Durable Applications

- Represent 32% of nonwovens sales by volume.
- Higher value application in automotives, construction and furniture markets create opportunities for innovation.
- The markets tend to favor

Leading Producers 2016

Opportunity: Unmet Market Need

- For established areas such as feminine hygiene and baby diapers, manufacturers are increasingly looking to developing areas like Asia, Africa and Latin America
- In Latin America, there is an estimated \$2 billion unmet market need in Brazil and \$950 million unmet need in Mexico alone.
- In more established areas, new market opportunities like adult incontinence are emerging.

Challenge: Flushable Wipes

- The nonwovens industry has been under attack by erroneous claims that flushable wipes are solely responsible for clogged sewage systems around the globe.
- Several cities, including Washington, D.C. and New York, are considering legislation banning the sale of flushable wipes.
- Many thousands of tons of dispersible technology targeting the flushable wipes market are coming onstream around the world.

Opportunity: Adult Incontinence

- As the population greys around the world, more attention is being paid to the incontinence market.
- Adult incontinence offers more opportunities for product diversification and value added features than its sister market, baby diapers

Challenge: Disposing of Disposables

- Nonwoven-based products like disposable diapers have always faced the stigma of being a limited use item that will soon end up in a landfill.
- However, in recent years thinner diapers and new materials have lessened their impact on the environment.
- Some companies are looking into the recycling of diapers.... "a messy business"

Opportunity: New Geographies

- Investment in nonwovens line has been strong in countries including Thailand, South Africa and Egypt
- Companies are looking to benefit from growing GDPs and low penetration rates
- Diaper and other hygiene companies are also investing in these areas

Challenge: Sustainability

- Nonwovens companies and users of nonwovens are constantly tasked with increasing the sustainability footprint of their companies
- For diapers makers, this has meant thinner products using fewer raw materials and an eye on reducing manufacturing waste
- Nonwovens producers have relied on thinner, stronger materials for a less-is-more approach

Opportunity: Machine Technology

- Machinery technology is offering energy savings, waste savings, more uniformity and efficiency.
- On the nonwovens side, lines like the newly launched Reicofil 5 offer a variety of new features.
- For diaper manufacturers innovations like GDM's Zero Waste offer a new frontier in diaper design.

Challenge: Soft Diapers

- The Chinese consumer preference for ultra-soft diapers has influenced diaper designs around the world
- Some manufacturers have opted for more expensive air-through bonded nonwoven material over traditional spunmelt nonwovens for topsheets
- Spunmelt makers have responded by making softer products

Opportunity: Feminine Hygiene Entrepreneurs

Challenge: Price Competition

Opportunity: Online Sales/Subscription Services

Challenge: Consolidations

Opportunity: New Products

Opportunity: New Customers

Opportunity: New Markets