

MIENA Carpet News

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Exhibition Profile of DOMOTEX asia/CHINAFLOOR

This year marks DOMOTEX asia/CHINAFLOOR's 20th anniversary. What began as a small exhibition has risen to the fastest growing flooring trade exhibition worldwide. As part of the DOMOTEX trade show portfolio, DOMOTEX asia/CHINAFLOOR boosts promotion for the Asian-Pacific region by attracting industry brand names such as; Armstrong, Gerflor, KCC, Faus, Giant, Weitzer, Farahi, Shanhua, Haima, Klumpp, Winters-teiger, and Hawk.

55,000 industry professionals from the emerging Asian markets and 100+ other countries attend each year and have utilized the event as their ideal platform to sell their flooring products, form partnerships, locate suppliers and manufactures, and network with industry leaders.

The 20th Anniversary Edition is expanding to 160,000 sqm exhibition

space and 12 halls due to increasing demand from 1,500 exhibitors from 40 countries.

Hall info:

Wood Flooring:

(Hall E1-E3/E9-E11/T1-T7)

Carpet:

(Hall W1-W5)

Resilient Flooring:

(Halls E5-E9/T10-13)

Floor Tech:

(Hall E4 & E11)

Opening Hours:

20 March, 2018 (Tuesday)

09:00 – 18:30

Continuation on page 6

We can not make markets to buy our products

To many carpet researchers in Iran, Hussein Rezvani's art works, make the identity of Persian carpet disappear in the world. Hussein Rezvani is not agree and he believes that in this fast changing world, if no one cares about today's people taste, working with the same style and old designs is impossible and in order to remain in the market and the world and transfer Iranian carpets to the contemporary world, making changes into the plans fairly, must be taken into consideration. We will become more familiar with his views as follows.

Mr. Rezvani, would you please tell us about yourself?

I was born in 1976 in Hamburg. Having grown up in a family of carpet connoisseurs, the idea of the Persian rug as a cultural and artistic traditional object originated quite early on.

Continuation on page 3



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International carpet producers to meet in Gaziantep

Gaziantep, the capital of machine made carpet industry, will host the world's leading national and international brands for the fifth time at DOMOTEX Turkey. Underlining the high potential of exhibition to be held on April 24-27, General Manager of Hannover Fairs Turkey Alexander Kühnel said, "We believe that we will make great contributions with DOMOTEX Turkey to the efforts to make Gaziantep the capital of global machine made carpet industry".

DOMOTEX Turkey, the biggest carpet and floor covering exhibition of Eurasia region, is getting ready to bring together national and international brands in Gaziantep, the capital of Turkish machine made carpet industry. Organized by Hannover Fairs Turkey in cooperation with Gaziantep Chamber of Commerce, Southeastern Anatolia Carpet Exporters' Union and Gaziantep Chamber of Carpet Producers and Weavers, DOMOTEX Turkey will be held in Gaziantep Middle East Expo Center between April 24-27.

Highlighting that Turkish carpet industry adds important value to national economy and serves as the brand face of Turkey with increased exports every year, General Manager of Hannover Fairs Turkey Alexander Kühnel stated, "The Turkish carpet industry is one of

stronger, sector players will gain advantage in exports. With the participation of leading companies in the carpet and flooring sector, DOMOTEX Turkey will be displaying new generation products and designs. DOMOTEX Turkey, with its national and international potential, will be a powerful showcase to represent the Turkish carpet industry in the best possible way."

Turkish carpets in the international arena

Planning to meet national and international companies in Gaziantep, the center of Turkish machine made carpet sector, DOMOTEX Turkey aims a significant increase in trade volume of industry. DOMOTEX Turkey will create important opportunities of establishing new business contacts for its exhibitors and host



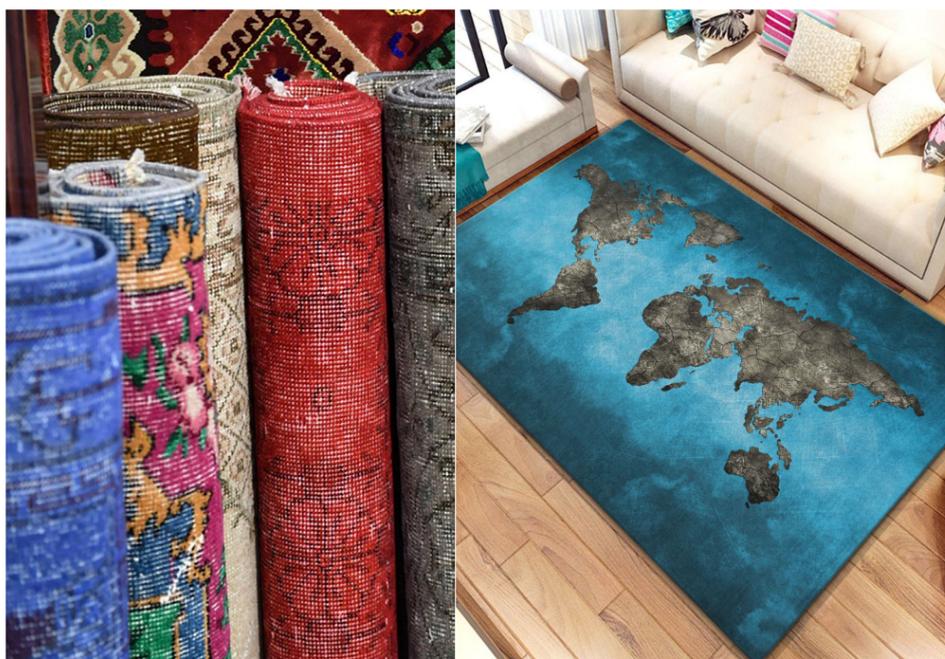
Turkey this year, we will also host decision-makers from various groups, such as architects, industrial designers, furniture producers, investors, hotel and shopping mall executives together with sector professionals as part of the Anatolian Delegations program organized with sector associations and unions."

Thousands of modern and traditional

the biggest global players in the international arena. The industry made carpet exports of 2 billion 165 million 689 thousand dollars last year. In 2018, the industry's export target is 2.5 billion dollars. As the concept of 'Turkish Carpet', which is a global brand, becomes

international buyer groups as part of the "Buyer Mission Program" organized by the Ministry of Economy this year.

Kühnel also noted that the exhibition broke its record with 203 exhibitors last year and 36 of these exhibitors were



from 10 different countries, mainly Middle East and Asia.

"DOMOTEX Turkey 2018, the leading trade fair of carpets and floor coverings in Eurasia, will offer the exhibitors excellent opportunities to establish relationships with both Turkish and international key players. The exhibition hosted record number of exhibitors last year and played an important role in increase of exports in the carpet and flooring industry. At DOMOTEX

carpet designs made of different materials such as wool, silk, cashmere, bamboo fiber and polyester will be displayed at DOMOTEX Turkey this year. During the exhibition, hand-knotted carpets and rugs representing the Turkish culture, as well as textile floor coverings, resilient floor coverings, carpet machinery and technology will be exhibited, besides machine-made carpets which have a significant share in exports of Turkey.

We can not make markets to buy our products

To many carpet researchers in Iran, Hussein Rezvani's art works, make the identity of Persian carpet disappear in the world. Hussein Rezvani is not agree and he believes that in this fast changing world, if no one cares about today's people taste, working with the same style and old designs is impossible and in order to remain in the market and the world and transfer Iranian carpets to the contemporary world, making changes into the plans fairly, must be taken into consideration. We will become more familiar with his views as follows.

Mr. Rezvani, would you please tell us about yourself?

I was born in 1976 in Hamburg. Having grown up in a family of carpet connoisseurs, the idea of the Persian rug as a cultural and artistic traditional object originated quite early on.

After completing my business management studies, I decided to make a long desired dream come true: In 2009, I sketched my first own Persian rug collection. The idea behind my designs combines tradition with modern design standards: I have created the Persian rug of the 21st century.

Here, I attach the greatest importance to maximum quality - my carpets are woven exclusively in Iran, in Isfahan where the art of the carpet weaving is at home. The designs of my Persian rugs combine classical patterns and Centuries- old symbols with contemporary color schemes which fit today's style of interior decoration. My desire is to create something new that lasts - a carpet which touches you emotionally and complements the home. As a designer, I find inspiration for good new patterns and color variations



“I think no matter what you do, innovation is a key to success. Without innovation, you cannot remain and position yourself in a changing market.”

above all in my own social environment on site in Iran, in the north of Germany or in the metropolises of this world.

Many of your critics believe that your work is destroying the authentic motifs of Iran. What is your answer to these critics?

To me, every carpet is a unique piece - of stable value and charged with high emotionality. Made by Iranian carpet weavers in traditional craftsmanship, the Persian rugs embody a historical legacy which is provided with a new twist. Thus, modern classics originate that will remain in the family for generations.

It is a matter for me, not simply of making carpets - I would like to integrate the cultural heritage of Iran into today's living space. Here, the Persian rug is residential accessory, piece of art and collector's item at the same time, made from the finest materials: Cork and Highland wool from Iran and pure silk from China. The carpets are not subjected to any mechanical or chemical processes, but are dyed exclusively with natural colors - sustainably and environmentally friendly - because this is the only way that the natural and dynamic reflections and the lustre of the carpets can emerge.

These are designs like Tabriz und Baktiar, which have made me as an established designer and distinctively characterize my vision. Each carpet designed by me, is a unique specimen - made in Iran, more specifically, made in Isfahan, a place which stands with carpet experts worldwide for the highest quality and traditional weaving art. Thus, I could already win various prizes for my carpets, among the rest, the Red Dot Design Award 2011 and the German Design Award 2013 for Tabriz Lilac. The Harper's Bazaar Interiors Design Award 2015 as, Best Textile Brand', as well as 2016, the Carpet Design Award for Electric Taupe. And another Carpet Design Award in 2017 for Shiraz Sabz.

All models that are woven in meticulous handiwork were designed by me - the designs which are created on the computer are afterwards placed on paper by a pattern maker and serve as a template for 500 carpet weavers who are working for me.

Tell us about important points you care in working, from caring to employee



Husein Rezvani; Carpet designer

salaries to other issues?

To me, it is especially important during the production that my employees in Iran work under good conditions - their income is higher than the average wage and it is always seen to it that the everyday weaving work does not exceed a certain number of hours.

In my art works, exclusively the finest materials and natural colors are used and are therefore particularly sustainable. Moreover, the color system allows that a customer can get any selected pattern in his desirable colors. and desirable sizes - therefore, a bespoke carpet that meets every requirement. Finally, about 65% of my carpets are made especially according to customer specification - in Europe, Germany is the strongest market, worldwide the carpets have high popularity above all in China, Canada and the Middle East, but also the USA and Australia since this year.

The production process lasts according to size of the carpet from three to eight months, up to six artisans work on a loom at the same time. The denser the nodes are set, the more complex the work and the more precious the Persian rug becomes. The carpets are created with up to a million nodes per square metre - a unique selling point in its industry, and thus supreme craftsmanship of real value.

It is the interplay of exceptional design, fair production and outstanding quality that makes my carpets a unique product on the market - into the Persian rug of the 21st Century.

How did the idea of combining design and color and Iranian figure with modern design formed?

Well as my roots are Iranian, I always loved traditional Persian carpets very much, my father and grandfather have been in this business, so carpets always have played a major role in our lives. After finishing university in economics in 2004, I started to work as a banker but knew right away that that wasn't my cup of tea. So I started to work with my father and always asked myself why every other country like Nepal, India is evolving, are being innovative but Iran is not. As the markets where already shifting towards modern designs in 2005 I just could not understand why Iran does not

offer contemporary carpets. So that is how my idea grew and I supported by my father started this journey in 2007. I think no matter what you do, innovation is a key to success. Without innovation, you cannot remain and position yourself in a changing market. Coming from economics I have learned that markets change, some faster some slower, but change always happens. I had the privilege to travel with my father when he went to buy carpets all over the world, Iran, India, Russia, US and so on... While these trips I always saw something new and that showed me that nothing remains the same. Taste and styles change. So adapting to these changes is a key to maintain and be successful long term.

Where does the combination of colors used in your works come from? Does it is in coordination of the colors used, that is, the colors used in each region, or is it the market that encourages you to use a color?

I can answer this very easy. It is simply my personal taste. Every carpet that I design, every color combination you can find in my collection is made by me. It is the colors that I think fit the design. Of course, every market has their preferences but in general I design and combine the way I want to. I love to mix traditional patterns with modern colors. It's the contemporary twist that makes my pieces timeless. It's not only about being modern, for me it's more important to create something that will remain trends. I am looking for a modern classic yet to be.

What are the criteria and components you need to choose the target market?

I think the markets/ retailers choose what they sell. We cannot make markets buy our products. But we can provide products that we know might work. You will not find anyone who does not know Persian carpets, so Persian carpets are known worldwide. That's why the markets love my products so much because first of all, they are made in Isfahan, Iran, so they stand for quality. Made in Iran is one of the biggest assets for carpets. So having my pieces is a unique selling point for my retailers. The combination of Made in Iran quality combined with contemporary designs just fits today's living spaces.

Van de Wiele introduces a revolutionary new handlook carpet quality, in reed 1500 dents/m with 5 million points/m²

After the introduction of the Handlook Carpet Innovator HCix2 in reed 1000 d/m 6 years ago, Vandewiele came up with an even higher carpet quality in reed 1200 d/m. Today, the impossible is made possible: Van de Wiele introduces the HCix2 in reed 1500 d/m, an astonishing high density carpet weaving machine producing handlook carpets with up to 5 million points per square meter.

The three rapier weave structure assures a flexible carpet with no warp yarns visible at the back side, just like hand knotted carpets. The Handlook Carpet Innovator HCix2 is equipped with several servomotors to produce, at high efficiency, handlook carpets of superior quality.

The three rapier handlook weave structure

In order to weave carpets with a crystal sharp pile side and a back side with no warp yarns visible, Van de Wiele has developed a patented three rapier weave structure as shown in figure 1.

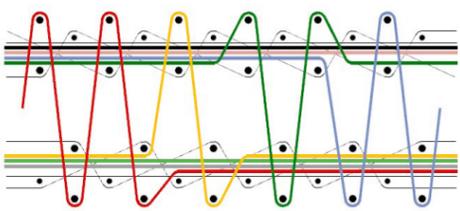


Figure 1: patented three rapier handlook weave structure for double production with no visible warp yarns at the back side

By using three rapiers, the production is 50% higher compared to similar qualities woven on a double rapier machine. The three rapier technique gives many other advantages. As only the working pile yarns are moving and the incorporated pile yarns are stationary, the machine has a higher weaving efficiency and the carpets have a cleaner back side. Moreover, a thicker pile yarn can be used. The incorporated pile yarn is perfectly straight, reducing the consumption of dead pile yarn. As all pile tufts go to the back side of the carpet, pile fixation is perfect. Thanks to the three rapiers, some colour switches can be made over the inside pick, eliminating automatically possible mixcontours and double points. When respecting some basic design rules and when using the We@velink Design Master, a perfect design

on pile and back side is obtained.

The handlook quality in reed 1500 dents/m

When weaving a handlook quality in reed 1500 dents/m, with a density of 15 pile rows/cm, the result is a carpet with 4.500.000 (pile) points/m². If we slightly increase the pick density to 16,6 pile rows/cm, an astonishing 5.000.000 points/m² is reached. The most common used pile yarns are acrylic, but also yarns like polyester, bamboo,... are possible. The weight of the carpet is similar to handlook qualities in reed 1000 and 1200 d/m.

The Handlook Carpet Innovator HCix2 machine

The Handlook Carpet Innovator HCix2 machine is a three rapier weaving machine, especially developed for weaving handlook carpets. The machine is based on the Innovator generation with a strong and rigid frame, equipped with several servomotors for increased flexibility and productivity. Figure 3 (see below) shows the HCix2 handlook carpet weaving machine in reed 1500 dents/m, with 8 colour frames on a width of 3m. This revolutionary handlook quality can also be woven on 4m width.

The Handlook Carpet Innovator HCix2 is foreseen with a Smart Cutting Motion. This programmable servo driven cutting motion assures a better stability



Figure 2: Pile side of a handlook carpet with 5.000.000 points/m² in reed 1500 dents/m, with crystal sharp design



Figure 3: The three rapier Handlook Carpet Innovator HCix2 machine, equipped with a Jacquard in capacity of 36.000 solenoids for weaving carpets with 5.000.000 points/m² in reed 1500 dents/m, 8 colour frames, 3m width

ty and less mechanical parts and wear.

The programmable servo driven Smart Edges are installed under the cumberboard for easy access and adjustment in the width.

For weaving handlook carpets in reed 1500 d/m, Smart Frames are required. A separate servomotor drives each of the 12 heddle frames (see figure 4). The advantages of this system are numerous as all following parameters can be programmed from the controller in a user-friendly way: weave structure, timing, lift, dwell,... 2x2 heddle frames are used for the tight warp. This allows putting the tight warp in two layers, leading to a higher weaving efficiency, a better pile height control and carpets with more points that are easy to fold.

The Smart Filling Selector is driven by linear actuators, switching between thick and thin fillings for the outside rapiers. The new filling brakes and updated prewinders guarantee a smooth insertion of the filling.

In order to reduce the power consumption of all above mentioned servomotors, the HCix2 machine has an energy bus. In the energy bus, the energy flow between the different motors is controlled. The enhanced and reinforced HCix2 Jacquard machine gives, with only one solenoid per harness band, the four positions that are required for three rapier weaving. The asymmetric settings and the unique possibility to put the pile yarns

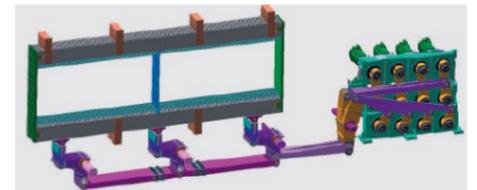


Figure 4: Smart Frames with 12 servomotors to drive the ground heddle frames giving a higher weaving efficiency and a higher quality of carpet

in layers, increase the efficiency. The big Jacquard capacities, up to more than 48.000 solenoids, allow weaving qualities in different reed densities (from 300 d/m up to 1500 d/m), in different widths (from 3m to 5m) and different number of colours. A new quality for instance is the reed 750 d/m, 16 colour frames.

Picture weaving

Apart from traditional designs, the Handlook Carpet Innovator HCix2 fits perfectly for picture weaving. With this technique, a real picture is converted to a design that can be woven on a high density carpet weaving machine. The result is a photo-realistic carpet with up to 5 million points/m² and numerous beautiful colour effects, and this with only 8 colours on the creel. An example woven in reed 1200 d/m is shown in figure 5.

This innovative approach opens doors for a potential new market: instead of the traditional labour-intensive designing of woven carpet, a photo-realistic picture can be processed in real time and converted to a design that fits the weaving machine. In picture weaving, the most time consuming job is to choose the picture you want to weave.

Growing market for handlook carpets

The Handlook Carpet Innovator HCix2 is a new three rapier weaving machine for weaving handlook carpets with no visible warp yarns at the backside. By using three rapiers, 50% more production is obtained than on a double rapier machine. The HCix2 machine is equipped with several servomotors for the cutting motion, the edges and the drive of the heddle frames in order to weave high quality carpets at the highest possible efficiency.

By introducing the new handlook quality in reed 1500 dents/m, history is expected to repeat itself, with Van de Wiele once again being the innovator in developing new carpet qualities.

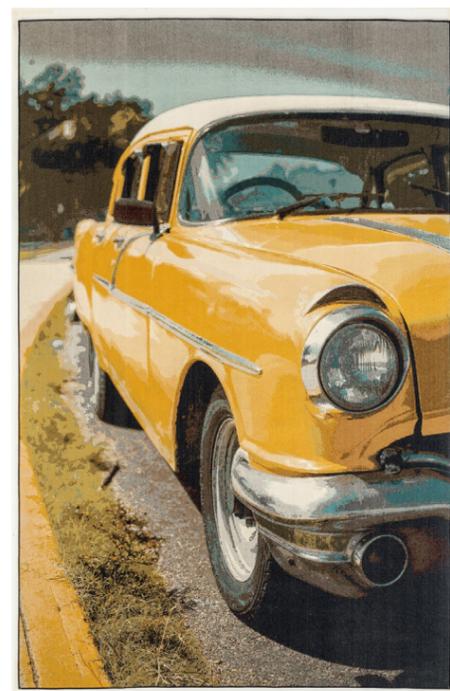


Figure 5: Picture of a car, woven on a HCix2 handlook carpet weaving machine in reed 1200 dents/m, with 8 colours on the creel

iran's economy in march

Source: FMConsulting Team

Iran says calms returned to currency market

Valiollah Seif, the governor of the Central Bank of Iran (CBI), said calm had returned to Iran's currency market after a turmoil for about a month that had shot the rates of foreign currencies through the ceiling. Seif said the current calm in the market was the result of a series of emergency actions including a police crackdown on the so-called "dollar dealers" – a general term used to refer to currency speculators. On January 24, Tehran's police arrested dozens of dollar dealers after the IRR reached above 45,000 against the USD from 37,700 in mid-2017.

vestment in Iran.

FATF suspends punitive moves against Iran until Aug

The Financial Action Task Force (FATF) - the global standard setting body for anti-money laundering and combating the financing of terrorism - extended a waiver for punitive measures against Iran for another six months but refused to remove the country from its blacklist. The move was taken in response to Iran's recent measures to enact legislation barring terrorist financing and money laundering. Iran hopes that the exit from the FATF blacklist would remove one hurdle to foreign investment. This is while the

Overview of Monthly Data

Official Exchange Rates	31/01/2018	28/02/2018	Change in %
Plot Area Euro	45,906	45,598	-0.7%
IRR per USD	36,952	37,299	0.9%

These are the official rates given by the Central Bank of Iran (CBI).

Free Market Exchange Rates *	31/01/2018	28/02/2018	Change in %
IRR per Euro (selling)	56,481	55,340	-2.0%
IRR per Euro (buying)	56,178	54,691	-2.6%
IRR per USD (selling)	45,400	44,629	-1.6%
IRR per USD (buying)	45,393	44,559	-1.8%

These are the free market rates. However, there is no official source in Iran for market rates of key foreign currencies like Euro and US Dollar but they are higher than CBI rates by usually an average of 15-17%.

*Figures are average daily rates obtained based on deals registered in currency exchange shops across Iran.

Stock Exchange Index	31/01/2018	28/02/2018	Change in %
TSE	98,133.5	97,961.7	-0.1%

Source: Tehran Stock Exchange

Inflation in %	Monthly inflation	Annual inflation
Domestic producer prices	1.1	10.2
Consumer prices	0.9	9.9

Source: The Central Bank of Iran (CBI)

USD banned in Iran import invoices

Iran announced a ban on using the USD in invoices for imported products. The Ministry of Industry, Mines and Trade made the policy operational upon a request by the Central Bank of Iran (CBI). This was in line with the country's efforts to move away from the USD and help control the rate of the USD that rose to record highs last month. However, criticisms emerged in Iran's media over the impacts of the move with some merchants complaining that it could complicate trade.

critics of the government say membership in the Financial Action Task Force has not only failed to attract investment, but has instead exposed various institutions to extraterritorial regulations and penalties.

Iran planning to devise own digital currency

Iran's Minister of Information and Communications Technology Mohammad Azari Jahromi said the country was working on a plan to create its own digital currency. Azari Jahromi added that a tender would be held soon to choose a contractor for the project. The move is expected to help reduce Iran's vulnerability to the impacts of US-led sanctions. Details of the plan are still scarce, but earlier reports said Iran planned to use its projected digital currency to attract funds into Tehran Stock Exchange.

Politics

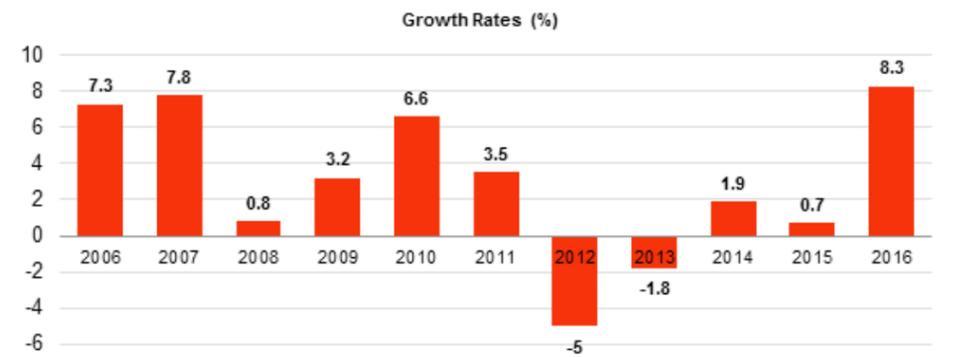
Official warns Iran may quit nuclear deal

A top Iranian nuclear negotiator indicat-

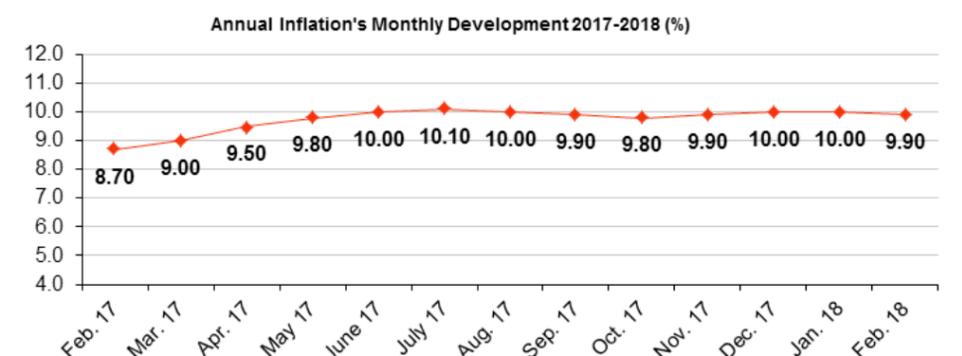
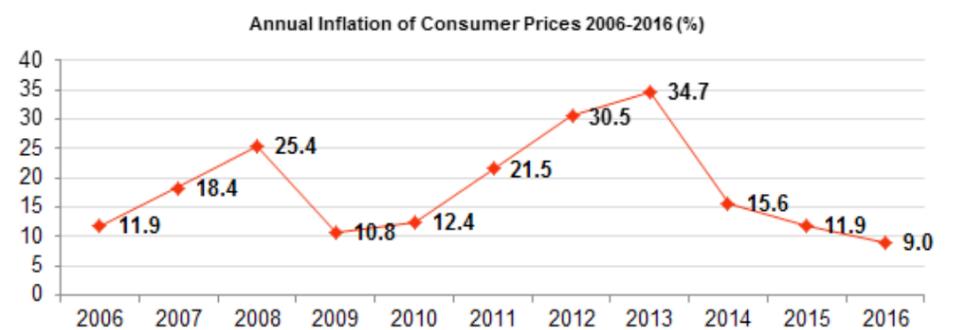
Growth Rates

Growth Rate*	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Annual**
2012	2.8	-3.1	-5.0	-5.3	-5.0
2013	-6.6	-3.1	-0.8	-1.3	-1.8
2014	-1.9	2.9	2.8	1.6	1.9
2015	0.1	0.0	0.7	0.1	0.7
2016	2.2	4.1	8.1	8.5	8.3
2017	12.7	6.5	--	--	--

*All figures are based on market prices and include sales of crude oil as announced by the Statistical Centre of Iran.
**The figure is for each Iranian year which usually begins on 21 March of the Georgian calendar.



Inflation



Note: Iranian months begin on 21-23 of the Gregorian calendar months. For the sake of consistency, the figures for each month - as announced by official sources - have been presented under the dominant Gregorian calendar month.

ed the possibility for Iran to quit a nuclear deal it has signed with world powers due to what he portrayed as "no status change". Abbas Araqchi, Iran's deputy foreign minister and No. 2 in nuclear talks after Foreign Minister Mohammad Javad Zarif, said the deal had brought no economic benefit for Iran specifically given that banks were still shunning the Islamic Republic. Araqchi said in a speech at the Chatham House think tank in London that the current conditions for Iran would still be unacceptable even if US President Donald Trump issued fresh waivers to continue suspending sanctions on Iran. "If companies and banks are not working with Iran, we cannot remain in a deal that has no benefit for us," he warned.

urges allies to halt trade with Iran

US National Security Adviser H.R. McMaster called on Washington's allies to halt trade with Iran. McMaster accused Iran of trying to develop its regional dominance and said it was necessary to take more forceful action to stop this. He said investments made by German firms and others were helping fund Iran's missile program and its other activities in the Middle East. McMaster said those who invested in Iran were essentially funding activities by Iran's Revolutionary Guard. He emphasized that Washington was aware of the investment activities of Iran's biggest trading partners that included Russia and China, Japan, South Korea and Germany.

Russia vetoes anti-Iran resolution

Russia vetoed a UN Security Council reso-

lution against Iran that could have led to new sanctions if approved. The resolution was drafted by Britain over Iran's alleged efforts to provide arms to Houthi fighters in Yemen. Britain argued the country had violated sanctions that ban trade of arms and military equipment. It received 11 favorable votes at the 15-member Council. However, Russia had to eventually reject it on grounds that it was based on "un-corroborated evidence".

Other Topics

Total says Iran project progressing well despite US threats

French energy giant Total said a project to develop a major Iranian gas field was 'progressing well' despite US threats of new sanctions on Iran. Total chief Patrick Pouyanne told Le Monde that his company was already consulting with French and European authorities over protecting its investments in Iran, in case there was a resumption of sanctions. He also emphasized that if the Americans "de-

cide to exit the nuclear agreement and if secondary sanctions return in place," it would pose a "real question" for the French energy giant.

Iran eyeing major plan to export flour to Iraq

Iran said it was working on a plan to boost flour exports to Iraq through a scheme that it said would be supported through higher wheat imports from Russia. The deal would involve importing around 100,000 tonnes of Russian wheat per month for private millers who would then produce flour for exports to Iraq, the local media reported. Kaveh Zargaran, the secretary general of the Iran Federation of Food Industry Associations, said talks were still underway between related parties in Tehran and Moscow, adding that he expected the deal to be finalized within the next few months.

Iran awards deal over Chabahar port control to India

Iran awarded a much-awaited agreement to India over the management of part of its strategic Chabahar port – a move that would give India a crucial access to the markets in not only the Persian Gulf region but also Central Asia and beyond. The agreement was signed during a visit to India by Iran's President Hassan Rouhani. It envisages the operational control of Shahid Beheshti port – phase one of Chabahar port - to India for 18 months. To the same effect, India would invest USD 87 mn in the project. This would be part of a total investment of USD 2 bn that India would make in Iran's port and rail projects.

Officials say Trump set to oppose Boeing deal with Iran

US administration officials were quoted in a report as saying they had obtained new evidence that Iran's Mahan Air had violated sanctions, adding that President Donald Trump was planning to use this to torpedo a Boeing plane purchase

deal with the Islamic Republic. Officials in Washington said Mahan Air had used Turkish companies to purchase US-made jet engines and parts in violation of sanctions, the Jerusalem Post reported. It added that Trump's opposition could expand to affect Iran Air's deal with Airbus for the purchase of planes, as well.

US pressing Asian banks over Iran trade links

Bloomberg said in a report that US enforcers are reportedly targeting lenders in South Korea, Taiwan, and China over their Iran ties in a campaign meant to strangle financial transactions with the Islamic Republic. It said South Korea's Woori Bank and Industrial Bank of Korea are being sued for allegedly transferring USD 1 bn of Iranian funds from escrow accounts. Those accounts held revenues from Iranian oil exports and could be used for purchase of local goods because Iran was cut off from the global financial system, Bloomberg added.



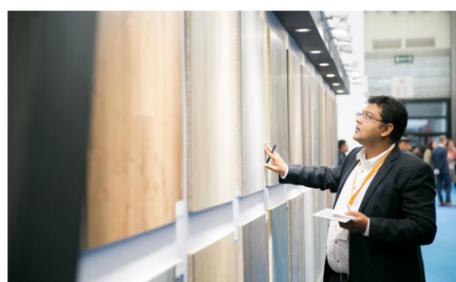
21 March, 2018 (Wednesday)
09:00 – 18:30

22 March, 2018 (Thursday)
09:00 – 15:00

**Luxury Brands Carpet Show
The Extravagance of Carpet**

The DOMOTEX asia/CHINAFLOOR team and COVER Magazine are thrilled to announce the second edition of the curated Luxury Brands exhibition and designer carpet collection taking place in Shanghai March 20th-22nd, 2018. VIPs, invited guests, and international journalists can visit the signature marquee in Hall-W5, presenting 16 renowned carpet design firms who indulge visitors with a variety of extravagant products. Each company introduces two of their finest hand-made rugs with the goal of attracting buyers as well as industry professionals interested in collaborating on future design projects.

The internationally renowned designers from Europe, the Middle-East, and North America joining the pavilion this year are: AMADI CARPETS, ARIANA RUGS, ART RESOURCES, CC-TAPIS, CREATIVE MATTERS, EDELGRUND, FRENCH



ACCENTS, H.O.C. DESIGN, HOSSEIN REZVANI, LILA VALADAN, NEW MOON, RUG STAR, SAMAD, TUFENKIAN, WOOL & SILK, and ZOLLANVARI.

"After a successful show in 2017, Creative Matters is excited to return to DOMOTEX asia/CHINAFLOOR", says Carol Sebert, President and Founder of the Toronto based firm. Our contemporary designs are suitable for residential and corporate interiors spanning modern to classic settings, perfect for the mix of traditional and contemporary styles sought after in Asia. Creative Matters' design aesthetic and ethical production, along with the high quality of the rugs we make, are a great fit for this large and dynamic market, and the 'Luxury Brands' pavilion is a great way to give attendees a taste of what we do."

2018 Carpet Delegation

Exhibitors (and visitors alike) are excited by the great mix of design that will be on display at Luxury Brands and the potential it adds to the show, bringing high-end rugs to a greater Asian audience. In celebration of this growing product niche at the exhibition, show organizers and COVER also organize an opportunity for international visitors to catalyze their participation by applying for the 2018 Carpet Delegation. Delegates who are selected follow exclusive DOMOTEX asia/CHINAFLOOR Carpet Sector tours and are personally introduced to the Luxury Brands exhibitors. More information for this program can be found on domotexasiachinafloor.com

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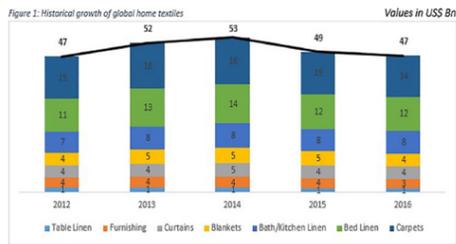


Global Trade of Home Textiles To Touch US\$ 80 bn. by 2025

Sanjay Arora, Business Director Wazir Advisors
Vini Pargain, Associate Consultant Wazir Advisors
Vanshika Jain, Associate Consultant Wazir Advisors



Home textiles, a major segment of overall textile industry, offers a wide range of categories such as furnishing fabrics, curtains, carpets, table covers, kitchen accessories, made-ups, bedspreads, bath linen, and other home furnishings. The US and Europe are the biggest consumers constituting 60% of the home textiles imports, while nations like India, China and Pakistan are among key suppliers. Carpets form the largest sub-segment in home textiles followed by bed-linen.



Maintaining a share of 6% globally

In 2016, global textile and apparel trade stood at US\$ 743 billion, while share of other categories such as fibre, yarn, fabric has decreased, home textiles has maintained its share of 6% over the past 5 years.

In 2016, the global home textiles trade was at US\$ 47 billion and it has been growing at a CAGR of 0.2% since the year 2012. Carpets were the top traded category at US\$ 14 billion. While table linen, furnishing and carpets have been growing at a negative CAGR of 5%, 2% and 1% respectively, bath/ kitchen linen has shown the maximum positive CAGR of 3% and an increase in share of 1% too.

Growing Exports to Markets

The top 10 importing nations contribute to approx. 80% of the home textiles market. EU-28 is the largest market for home textiles with a share of 36% and import value of US\$ 17 bn. This is followed by USA with import value of US\$ 11 bn. and a share of 24%. Japan, Canada, Australia, UAE, Saudi Arabia, Russia, India and Thailand constitute the top markets for global home textiles.

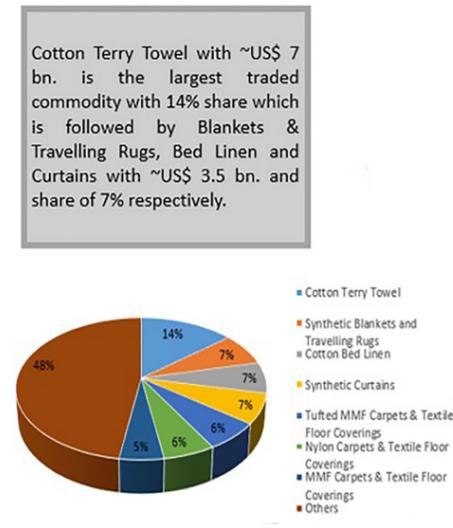
Thailand has emerged as a market for home textiles in the last five years with a CAGR of 22% but at a small base value. Japan being third largest market for home textile is declining with a CAGR of 6% over a period of 5 years due to economic downturn and demographic issues. Russia facing the similar issues has shown a downfall 18% thus losing ranks in the list of major markets but is expecting some growth going forward.

Thriving Asian Suppliers

The top 10 suppliers -China, India, Turkey, Pakistan, Belgium, Germany, Netherlands, USA, Portugal and Poland- have 80% share in world's major suppliers. China has the maximum share at 39% with US\$ 18 bn. followed by India at 11% with US\$ 5 bn.

Poland has emerged as a supplier for home textiles in the last five years with a CAGR of 4.6% but at a small base value. India with growth rate of 4%, has increased its world share from 9% to 11% in the past 5 years. China has remained almost stagnant with a CAGR of 0.2%, while countries such as USA, Belgium and Germany have a negative growth rate.

Figure 2: Top traded commodities in home textiles (2016)



The Booming Indian Trade

India is widely perceived and acknowledged for its variety and exquisite designs in home textiles. The current Indian home textiles market is in a sweet spot as India's share in the global exports continues to increase, furthering penetration into major markets. India is not only one of the biggest supplier but also one of the largest consumer of home textiles. Major players such as Welspun India (third largest towel producer), Trident (largest terry towel

Table 3: Share of top home textiles markets (2016)

Country	US\$ Mn.	CAGR ('12-'16)	Share
EU-28	17,195	1%	36%
USA	11,252	4%	24%
Japan	2,311	-6%	5%
Canada	1,556	-1%	3%
Australia	1,153	1%	2%
UAE	1,000	1%	2%
Saudi Arabia	828	-4%	2%
Russia	764	-18%	2%
India	526	8%	1%
Thailand	512	22%	1%
R.O.W	10,150		21%
Total	47,248	0.2%	

Table 4: Share of top home textiles suppliers (2016)

Country	US\$ Mn.	CAGR ('12-'16)	Share
China	18,303	0.2%	39%
India	5,027	3.7%	11%
Turkey	3,398	-0.4%	7%
Pakistan	3,267	3.6%	7%
Belgium	2,178	-2.0%	5%
Germany	1,666	-1.7%	4%
Netherlands	1,489	1.1%	3%
USA	1,370	-2.5%	3%
Portugal	721	1.6%	2%
Poland	698	4.6%	1%
R.O.W	9,129		19%
Total	47,248	0.2%	

Figure 4: Commodity wise opportunities for Indian companies

Globally Top Traded Commodities	Indian Top Traded Commodities	New Product Categories
<ul style="list-style-type: none"> Cotton Terry Towel Synthetic Blankets and Travelling Rugs Cotton Bed Linen Synthetic Curtains Tufted MMF Carpets & Textile Floor Coverings Nylon Carpets & Textile Floor Coverings MMF Carpets & Textile Floor Coverings 	<ul style="list-style-type: none"> Cotton Terry Towel Bedspreads Cotton Furnishing Articles Other Carpets & Textile Floor Coverings Cotton Bed Linen Tufted and Knotted Wool and Other Carpets & Textile Floor Coverings Pile Construction Wool Carpets & Textile Floor Coverings 	<ul style="list-style-type: none"> Synthetic Blankets and Travelling Rugs Synthetic Curtains Nylon Carpets & Textile Floor Coverings MMF Carpets & Textile Floor Coverings Cotton Printed Bed Linen MMF Bed Linen

producer) and Dicitex (Fifth largest furnishing fabrics producer) are based in India. These companies cater to both international and domestic market.

Indian Markets and Future Growth Opportunities

Home textiles exports from India have been expanding in major markets including USA and EU-28. Out of the total US imports, 25% are from India. A major growth trend is visible in UAE with a CAGR of 13% from 2012.

China is increasingly importing home textiles from India especially curtains (18%), blankets (18%), carpets (16%) and bed linen (17%). Similarly, UAE has also emerged as a significant market for Indian home textiles with carpets having a 58% share. This may be attributed to the traditional carpet weaving industry in India that has a niche in manufacturing carpets and furnishing.

Figure 3: India's increasing share in global trade

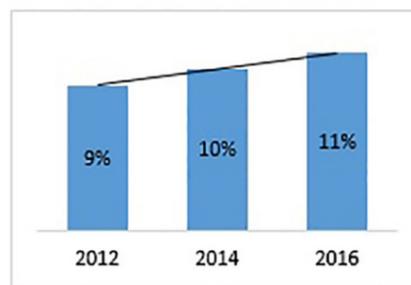
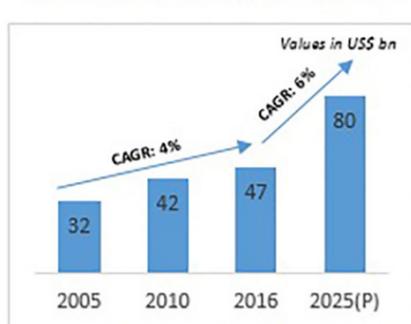


Figure 5: Home textiles growth (2005-25)



There has been a structural shift in the dynamics of the global home textiles trade as Indian companies have gained advantage over the Chinese counterparts. Indian companies have become competitive in the home textile exports market, leveraging the gap created by the rising labour cost in China and availability of raw material. Also, Indian organizations are cost competitive due to economies of scale, world class manufacturing facilities, product innovation and quality.

Trends Driving the Future Growth Globally

Soaring demand for household products and growing consumer awareness have made home textiles a lucrative business segment in the global textile industry. Various growth drivers are pushing this demand to an all-time high.

One of the major factors driving growth is flourishing home textiles market in the Asian economies such as China, India, Thailand, etc. Though the major consumer base still exists in USA and European markets but an increasing trend of household purchases is also visible in these Asian economies due to a flourishing housing market and rapidly growing middle class.

Table 5: India's major markets for home textiles (2016)

Country	US\$ Mn.	CAGR ('12-'16)	Share
USA	2,786	5%	55%
EU-28	1,252	2%	25%
UAE	183	13%	4%
Australia	144	1%	3%
Canada	128	6%	3%
Japan	56	-2%	1%
South Africa	44	-5%	1%
Chile	33	8%	1%
China	33	14%	1%
Saudi Arabia	32	-4%	1%
R.O.W	337		7%
Total	5,027	4%	

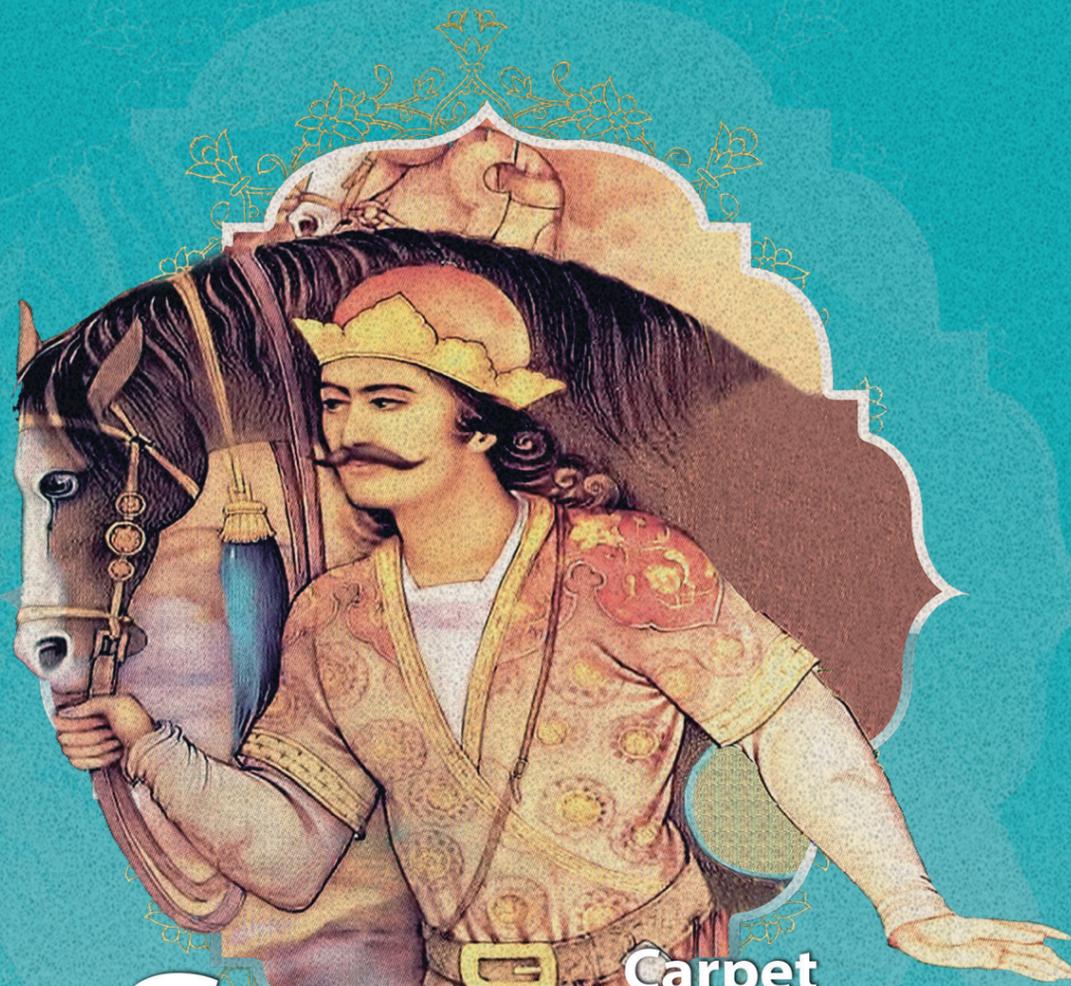
Secondly, fashion sensitivity towards household furnishing has increased as fast-fashion has hit not only the apparel market but the home market as well. Home fashion has become a separate segment as consumer consciousness towards high quality living has increased.

To cater to the increased demand, the number of retailers entering the home textiles market is also increasing. From IKEA to H&M Home, big brands are entering the thriving market to tap the big opportunity and take advantage of the prevailing environment.

Moreover, the advent of E-commerce in the segment is further making the market even more competitive and with the increasing number of websites, the marketplace is also experiencing growth.

Fuelling the market growth, research and development in the home textiles segment has been immense. Modern lifestyle involves a lot of stress and sleep deprivation and thus, innovation in sleep technology and finishes such as microbial, anti-mist, herbal, etc. are the future of home textiles.

It can be readily said that going forward, the home textiles trade will grow at a rate of 6%. Further, the home textiles segment has become increasingly competitive and only cost driven organizations delivering product quality and customer satisfaction can survive in this cost-driven market scenario.



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CNRHOLDING



ANDRITZ successfully starts up neXline needlepunch line supplied to AFITEX, France



ANDRITZ has successfully started up a complete neXline needlepunch line at AFITEX, Champhol, France.

The line processes several types of raw materials, such as polypropylene, recycled bulk continuous filament as well as virgin bulk continuous filament, and produces needlepunched felts for geotextiles.

The scope of supply included all of the machines from opening and blending to end-of-line with profiling capabilities. This line uses proven ANDRITZ equipment such as:

- an opening and blending unit APC 1500
- an aXcess carding machine with a width of 2.5 m
- a crosslapper Profile P325

- two A50 needlelooms with the innovative Zeta drafter

This order demonstrates the strong partnership between ANDRITZ and AFITEX. AFITEX operates an ANDRITZ needlepunch line in Algeria, which enabled them to become the leading geotextiles producer in North Africa.

AFITEX has specialized in drainage, earth retaining, and lining systems for more than 20 years and is now one of the global leaders in these geosynthetic activities. With references in Europe, Africa, the Middle East, and North America, AFITEX covers a wide area of applications, including construction, public works, landfill, and mining engineering.

Textile mega project in Algeria

A joint venture between the state-owned Algerian companies Groupe C&H, TEXALG, SNTA and the Turkish Group TAY with more than forty years of experience in the textile area, founded to build one of the biggest textile mills of the world.

This mega project comprises several stages which will be realized within the next years. The project has far-reaching and multi-purpose aims: Algeria shall become as independent as possible of the textile imports in medium terms and this project will create a great number of jobs.

On a ground of about 2.500.000 sqm and with an investment volume of 800.000.000 USD, several vertically structured textile plants will be built in the next years, specializing in various categories of textile end products. What is especially great is that the new company is going to have also a huge internal service and training centre for many new workers.

It was a long way before BRÜCKNER was awarded the contract for the supply, installation and commissioning of so many machines for dry finishing. The coordination team for the project was selected very carefully. The result was a highly experienced and competent crew, compiled with the aim to select the suppliers according to many different criteria and always striving for the highest standards.

First of all, the technological concept, the number and the individual specifications of the required machines had to be chosen. Many meetings and a comprehensive exchange of opinions and experiences led to an optimization of specifications. On the one hand, the machines should allow an easy operation and on the other hand they have to be able to offer many possibilities for automation, quality control and remote maintenance.

The selection of possible machine suppliers was made according to three main criteria: productivity, quality of the



products and highest possible energy efficiency. In addition, the team focused on the available local service as well as on fast and flexible after sales services.

BRÜCKNER was chosen in dry finishing as best option in all the above mentioned points and could convince the coordinators with a long-lasting and reliable cooperation in the past. As family-owned and family-run company BRÜCKNER imparts trust and confidence in a faithful cooperation in future, too.

The first step of the project has been

divided into a Denim, a non-Denim and a knitwear section. The machinery in question are complete, fully integrated production lines for the production of 12 million trousers, 6 million shirts and 12 million t-shirts each year. The scope of supply comprises several stenters, sanfor ranges, thermosol dyeing and highly flexible Denim finishing lines. All these machines are custom-made and are provided with many options.

The preparations to realize the next stage, which comprises the production of home textiles, are already under way.

Oriental Weavers Introduced The Latest Carpet Collection in Honor of Zahi Hawass

Dr. Zahi Hawass gave the introductory speech at the opening ceremony for the launch of Oriental Weavers' new carpet collection "The Pharaoh". The ceremony took place in Hanover, Germany, on January 12th, as part of Domotex Expo 2018.

Oriental Weavers Group is one of the world's largest carpet, rug and related raw materials producers. Based in Cairo, the group has manufacturing facilities in three countries and distributes its products in more than 130 countries worldwide. The company attended Domotex Germany with its huge stand where it kept impressing the visitors by the quality and variety of its collections. This year there was a new launch of the latest collection called "The Pharaoh" in honor of

Dr. Zahi Hawass. Reflecting the history and culture of Egypt, this special collection is like an invitation to the beauties of the country.

Established in 1979 by Mr. Mohamed Farid Khamis, a leading Egyptian entrepreneur and industrialist, the company has grown under his leadership to become one of the largest and fastest-growing machine made rug and carpet manufacturers in the world.

Oriental Weavers continues to invest in expanding its capacity and ability to service the growing global rugs and carpet market, and has diversified beyond its core leadership in machine-woven, tufted and needle-punched rugs, mats and carpets. This diversification has seen the group successfully introduce high mar-



gin business lines such as Gobelin tapestries, upholstery and floor coverings, and Axminster carpets targeting the hospitality and luxury residential and commercial markets.

This diversified product mix has not only expanded the group's reach in the textile sectors, but has also lessened its exposure to petroleum-related market risks. In recent years, Oriental Weavers' operations have also grown to include the highest quality handmade rugs, made in partnership with craftsmen in China, In-

dia and Iran, markets long renowned for expertise in hand-woven rugs. The group has also signed partnership agreements with Tommy Bahama and Pantone.

In addition to these end products, Oriental Weavers' vertically integrated operating structure includes production throughout the rugs, mats and carpets value chain. Oriental Weavers subsidiaries extrude, spin and dye the fibers and yarns that are primary components of the carpets that the group distributes across the global market.

Stäubli presented successfully state-of-the-art technology at Dhakatex

This year again, the Dhakatex organisers could, after a less frequented opening day, register a satisfying number of visitors to the trade fair held from 8 - 11 February in Dhaka. Thus the importance of this trade fair has once again been underlined.

Many investors and weavers demon-

strated their interest in Stäubli automatic weaving preparation solutions and shedding solutions for frame and Jacquard weaving which they could discover at several places on the fairground. "The high interest in our products does perfectly reflect the ongoing prosper investment activity in the country", says Mr Legler, Sales & Marketing manager of the



weaving preparation solutions at Stäubli.

At the Spintex Technology SA (Stäubli agent) booth visitors could learn more about Stäubli values, and especially our aim to make customers getting out the maximum of their machinery, our tailor made trainings, technical support and the availability of our spare parts even years after purchase.

They could experience the latest generation of automatic drawing-in machines of the SAFIR line as well as the TOPMATIC 201 warp tying machine processing a cotton warp for denim, installed on its solid TPF tying frame. This proven ensemble offers long service lives and leads with its precise operation to short idle times during the warp change and to more meters of first quality fabrics. At the same booth a Stäubli cam motion could be seen. Weaving with this kind of cam motion assures gentle warp treatment, and the fully integrated levelling device prevents from overstretching the warp and avoids start-up marks, thus weavers can easily produce high quality fabrics.

Important presence of Stäubli shedding solutions at the fairground

The S3060 electronic rotary dobby, part of the latest S3000/S3200 series was presented in operation. Worldwide this machinery series is renowned for its reliability and adaptability. It is compatible with weaving machines made by all the major makers. Weavers can choose among several models the one perfectly adapted to their requirements.

Jacquard weavers could discover the SX electronic Jacquard machine (format 2688 with 2340 hooks) performing on a rapier weaving machine producing labels. Adaptable to all types of air jet, rapier, and water jet machines, the SX Jacquard machine produces excellent results in the form of flat, terry or technical fabrics, in formats up to 2688 hooks.

In a total, trade fair visitors could get a nice overview on must-haves of the Stäubli product range, which can support them facing the challenging market demands thanks to more productivity and longevity.

ANDRITZ to supply a complete needlepunch line for geotextiles to Manifattura Fontana, Italy

ANDRITZ has received an order from Manifattura Fontana, based in Valstagna, Italy, and part of the Belgian technical textile company Sioen Industries, to supply a neXline needlepunch eXcelle line for the production of geotextiles.

Start-up of the line is scheduled for October 2018.

The scope of supply includes all of the machines from opening and blending to an automatic packaging system. The line incorporates cutting-edge ANDRITZ technologies and equipment, such as:

- a TCF-X high-capacity chute feed capable of processing long staple fibers
- an eXcelle card with 3.5 m working width
- the state-of-the-art ProDyn and Iso-layer systems for weight evenness
- high-speed needlelooms with the innovative Zeta drafters to fine-tune tensile strength parameters and boost the pro-

duction capacity for lightweight fabrics.

For the first time in Italy, the line will feature air-through bonding capabilities in combination with calendaring. It is targeted to become the most productive line in Europe.

Manifattura Fontana joined Sioen Industries, a publicly listed Belgian company specialized in technical textile solutions, in 2016. It has been manufacturing nonwoven geotextiles from synthetic fibers for nearly 50 years and is developing new solutions and improved products for separation, filtration, protection, drainage, and reinforcement.

Manifattura Fontana is a leading company in the global geotextile markets and provides its customers with added-value geotextiles for many applications, such as the construction of roads, railways, reservoirs, dams, and tunnels, as well as for earthworks, foundations, erosion control, drainage, waste disposal, or containment.



Shaw Industries takes over Sanquhar Tile Services

Scotland-based carpet tile manufacturer Sanquhar Tile Services (STS) is now part of Shaw Industries, the largest carpet tile manufacturer in North America which supplies carpet, resilient, hardwood, tile, stone and laminate flooring products and synthetic turf to residential and commercial markets. STS' acquisition expands Shaw's carpet tile footprint.

The acquisition complements Shaw's carpet tile manufacturing facilities in Cartersville and Adairsville, Georgia, USA, and in Nantong, China.

Scotland-based STS, a long-established

and important carpet tile manufacturer in the UK, will continue to serve its customers as part of Shaw's commercial flooring division. STS' established and experienced leadership team and associates will continue to operate the business with manufacturing capabilities from tufting through cutting – as part of Shaw.

Shaw, founded 50 years ago, and STS, which has been manufacturing carpet tile for 45 years, share cultures of innovation, service and long-tenured, experienced associates.

"This acquisition positions Shaw as a global carpet tile provider," said Vance



Bell, chairman and CEO of Shaw. "STS will be an important part of our commercial business, and we will make substantial capital investments to enhance and modernise their operations. We're proud to count STS associates among the 22,000 individuals at Shaw who are working to create a better future for our customers, our communities, our company and each other."

"Shaw's continued investment in STS will ensure that we are poised to advance our position in the market and to provide our people with rewarding careers as we focus even more heavily on advanced manufacturing techniques that allow us to best meet current and future customer needs," said Frank Williamson, managing director at STS.

5 Events To See At DOMOTEX asia/CHINAFLOOR 2018

The 20th anniversary of the event's fruitful campaign and to celebrate, the exhibition reintroduces a variety of events to promote business in all flooring sectors.

1) InnovAction Flooring Campaign

The InnovAction high-profile displays unveil the industry's future, market leading products in CARPET, WOOD, and RESILIENT flooring. InnovAction pavilion exhibitors are automatically enrolled in the 2018 Top-10 Best Products Competition during the show so an on-site audience of 55,000+ attendees can cast their vote for their favorite products. InnovAction is sponsored by Floor Covering Weekly Magazine (FCW).

2) Luxury Brands

VIPs and invited guests can visit Luxury Brands, a distinct display area presenting

16 carpet design firms who indulge visitors with a variety of new, extravagant products. Luxury Brands is co-organized and sponsored by COVER Magazine. The world renowned designers joining the pavilion in 2018 are: AMADI CARPETS, ARIANA RUGS, ART RESOURCES, CC-TAPIS, CREATIVE MATTERS, EDELGRUND, FRENCH ACCENTS, H.O.C. DESIGN, HOSSEIN REZVANI, LILA VALADAN, NEW MOON, RUG STAR, SAMAD, TUFENKIAN, WOOL & SILK, and ZOLLANVARI.

3) Materia

Materia is the one-stop shop to see and even touch the materials that make up the "DNA" of the finished goods used in our office buildings and homes. This popular showcase, originally from the Netherlands, offers an abundant preview of over 300 types of metals, ce-



ramics, plastics, woods, and more, all varying in texture, structure, resistance, weight, and acoustics.

4) cadex

cadex is a 2-day platform geared toward providing global architects and flooring experts a meeting place to exchange ideas and best practices. In 2017, over 4,000 people attended the educational conferences to update themselves on current events and discover ways to collaborate on future projects in the Asian-Pacific Region. This year's conference talking points will cover "Creative Workspaces".

5) WPC Decking—Hosted Buyer Program

WPC decking professionals interested in finding new business partners in China are welcome to apply as a VIP for the WPC Buyers Delegation. For this half-day program, 15 international buyers will be selected for personalized meetings and business match-making with up to 50 WPC decking exhibitors from China, including China's top decking exporters; SENTAI, NEWTECHWOOD, VIDAR, SUNSHIEN, FORESTAR, LESCO-KINGFA, ZHENGYUAN, HELONG, FURISEN, & XINFENG. Contact Mr. Lawrence Zhang to submit an application to become a WPC decking hosted buyer.

Balta Achieves 15.1% Revenue Growth



The Balta Group announced a revenue increase of 15.1% to €333.9 million (\$400.83 million) for the first half of 2017. Organic growth increased 6.1% and was driven by business (+12.9% organic growth) and commercial business (+7.8% organic growth). The acquisition of Bentley (completed at the end of Q1 2017) contributed to revenues as of April 2017, and accounted for an additional 10.1% growth.

Adjusted earnings before interest, taxes, depreciation, and amortization (EBITDA) increased by 11.1% to €46.5 million (\$55.77 million) with an adjusted EBITDA margin of 13.9% and an underlying

organic growth of 9.8%. The increase in raw material purchase prices observed during the first half did not have a significant impact on financial performance. Organic and mergers and acquisitions growth have been partially offset by the adverse impact of the depreciation of the British pound.

The company reports that the integration of U.S.-based Bentley is on track. In June 2017, Bentley and modulyss jointly showcased their products for the first time at NeoCon in Chicago. A selected number of modulyss products were chosen based on their European style and appeal to U.S. customers. The company reports that revenues should be seen

from the U.S. sales force and architects and design community in Q4 2017.

The company remains committed to lowering its financing costs through the refinancing of a portion of the 7.75% Senior Secured Notes (SSN). During Q3 2017, a total of €33.9 million (\$40.67 million) of the SSN will have been redeemed and replaced by a new senior term loan maturing September 2020 at a margin of 1.4%, reducing annualized interest expenses by €2.1 million (\$2.52 million).

"I am pleased to announce this first set of results since our IPO last June," said Tom Debusschere, CEO of Balta. "We executed on our strategy of growth, both organically and through M&A. The growth

is a result of our continued investments in innovation and new product collections in all of our divisions. Over the last months, we have also made clear progress with the integration of our recent U.S. acquisition, Bentley Mills. We anticipate continued headwinds from higher raw material prices and currency impacts. We have implemented and continue to implement mitigating actions which include price increases, new product introductions and lean initiatives, which will restore our margins on the mid-term. Based on our H1 2017 performance and the current outlook for H2, we remain confident that we will achieve our objectives for the full year."

Kohan Textile Journal

Middle East Textile Journal



Kohan textile journal as biggest textile media in region has close cooperation with many event organizers in textile sector

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Iranian Wool Hot Market for Handmade Carpet Manufacturers

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The textile industry is struggling with many problems in Iran. If we want to prioritize the industries, the overall modernization of this will come first; nevertheless, comparing the value of the Iranian Rial to Euro or Dollar, each textile factory will cost an arm and a leg to renew itself depending directly on its sale. If textile entrepreneurs do not have acceptable economic justification for renovation, they will certainly not be able to take action to upgrade their factories, and it will gradually destroy the industry, turning them to importer of textile products. Such circumstances run counter to self-sufficiency and No-Import policy. To make textile factories involved in the production of raw materials and accessories for carpet industry in Iran lucrative business, two points should be considered which are briefly discussed below.

Hand-woven Carpets Endangered

Introduction

There are always a range of prices in all commodities, which are essentially affected by a variety of options including the price of raw materials, finished product costs, transport costs, taxes, duties paid by the government, etc. At a store, this is the customers who decide which price range fits them and the price difference is vital for competition in the market for all manufacturers.

In the market, there are some who are quality-oriented; therefore, they try to produce stuff with better raw materials and a more reasonable price, and some who are quantity-oriented and seek to break market price and gain a range of customers at any rate. In the meantime, some customers who cannot recognize good or bad stuff fall victim to money-lovers and always set the criterion of purchase being at a low price. Of course, this disadvantage is often seen in many customers.

Handmade Carpet: the largest source of non-oil revenue in Iran

With this introduction, let us take a look at the market for the largest non-oil revenue source in our country-handmade carpet. Nowadays, with the growth of foreign currencies and the reduction of imports of foreign wool, carpet-weavers and textile businesses are more inclined to the traditional and, of course, somewhat forgotten, Iranian wool market. The competitive market for Iranian wool is currently growing up at a steady rate, yet one has to take account of the fact that the quality of yarn plays a major role in the durability and quality of handmade carpet and mere interest-seeking will put carpet-weavers and domestic/foreign buyers at a disadvantage. There are various yarn spinning systems in the production market. Currently, there are three widespread types of spinning systems: woolen, semi-worsted, and hand-spinning.

The woolen system, which is going extinct, can spin wool with a shorter length; how-

ever, it has a smaller customer base due to the use of low-quality short fibers that are poorly matted during dyeing, weaving, and maintenance. The semi-worsted system, which takes up a large part of the market, can deliver yarn with acceptable quality with fewer after-sales problems. Hand-spinning yarn, which is used in some parts of Iran, holds certain advantages and disadvantages which is on the verge of extinction due to low production and lack of economic justification.

Our discussion here will be focused on the semi-worsted system requiring medium to large factories. In Iran's market, some are inflicting irreparable damage to the yarn by mixing it with tanning wool and using gasoline instead of spinning oils. Currently, these types of yarns are also known as "gasoline yarn" at the market.

Soluble oils used in spinning are volatile and washed off during dyeing process, while gasoline remains in the yarn with its bad smell, even after dyeing. Gasoline corrosive effect on tanning materials causes the thread of carpet to break up or the so-called "sleep of the carpet". The chemicals used in the processing of wool tanning are harmful to the environment. Furthermore, the combination of yarn with gasoline in handmade carpets is not considered healthy for salespeople and end-users. Some dyers who are sometimes forced to use these types of yarns for economic reasons use perfumes in the final stages to remove the bad smell, yet after the first wash it is almost gone and the bad smell of the carpet rises.

Unfortunately, factories that operate mainly on the outskirts of the central region of Iran, especially the Isfahan province, have been able to absorb customers with a very low cost, producing these types of threads and employing illegal immigrant workers with low payment. Obviously, such carpets with this type of yarn will have a very low durability and quality which causes serious damage to domestic and foreign consumers. On the other hand, handmade carpets are bought and stored in Iran as well as abroad. And failure to comply with quality standards will seriously

mar this industry and its export.

Recommendation

Undeniably, to improve the quality of yarn, sheep should be sheared before slaughter in slaughterhouses. Such wool can be well-priced and bring even little profit to dairy farmers. On the other hand, the problem of mixing with the tanned wool will be solved and the yarn will be more productive. Moreover, state supervision on use of the soluble oils in spinning and a ban on materials such as gasoline will also significantly enhance the quality of the yarn produced. In the past few years, the Association of Textile Industries of the East Azerbaijan Province has begun the necessary measures for pre-slaughter sheep shearing, yet with the lack of support and appreciation of the authorities, it did not continue. Interestingly, some provinces that are not so active in textiles like Ilam have been forcing pre-slaughter sheep shearing, but provinces such as the East Azarbaijan, which are considered important carpet-producers, have not yet taken serious action due to Unions bureaucracy.

Tax Law

The Iranian government has recently imposed new tax laws creating inappropriate pretexts considered to be major barriers to production, especially in the textile industry, affecting all production categories. It could be said that the "Value Added Tax Act" was virtually a pretext for raising taxes. Some customers also avoid buying certain carpets by comparing prices. There are two main obstacles in this regard. First, handmade carpets are seen as artistic handicrafts thus not subject to value added tax, while wool-washing, spinning, dyeing and raw materials, even raw wool are subject to value added tax. The end users will pay taxes on the value added by relying on handicraft exemption law. Weavers also do not regard it obligatory to pay taxes on buying their own yarn. Meanwhile wool, spinning, dyeing etc centers are on the spotlight of tax administration and are forced to pay a value-added tax that reduces their final profits. Second,

the law required the tax-payers to provide their seasonal deals in detail with the buyer's complete specifications as part of the tax-payers' or, more specifically, producers' obligations. Although, some avoid it by using such tools as tax evasion or fake national code purchase, some others do not escape it and observe the law. On the other hand, registering customers' specifications (which are confidential information) is a constant source of worry. Consumers might refuse to share their national code and specifications to salesmen, and if the salesman does not record customers' information, they are more inclined to him than to others. In a sense, if salesmen comply with the tax law, their customers will be less than those who do not do so.

Conclusion

Compliance with the minimum standards for these two important issues i.e. textile industry as one of the main industries and handmade carpet which is a well-known handicraft in the name of Iran, is undeniable. In addition, revising the value added tax Act for the current conditions of the Iranian economy is a vital requirement. Unless the government solves these two problems, this industry and national capital will be deteriorating; not only will its export, but also its domestic sales reduce. It cannot be denied that handmade carpets are a source of income for many people, including the lower strata of society. This commodity is considered to be an essential element of non-oil export of Iran and is what our country is proud of. Wherever in the world handmade carpets exist, the reputation of Iranian art will brighten.

In the present paper, the problems of the spinning industry and also handmade carpets were briefly reviewed. It is not easy to review all the problems of the textile industry and it will not fit into a short article; however, if only one step further can be taken to solve the problems, it will be considered a success. Recent years named for economic actions indicate the importance of the economy to progress our beloved Iran and everyone should be stepping up as much as he can.

DESIGNERS LOOK AHEAD TO NEXT YEAR AFTER FRUITFUL FOUR DAYS AT INDEX 2017

Design minds from 108 different countries gathered at the Dubai World Trade Centre to meet, network and do business with more than 1,000 exhibitors from across the world at INDEX, workspace and Middle East Covering

The sun set on the INDEX Design Series forest after a four day showcase of the best in international and local design at the Middle East's biggest interior design exhibition.

Industry figures from 108 different countries gathered at the Dubai World Trade Centre last month to meet, network and do business with more than 1,000 exhibitors from across the world.

Set amongst a lush green environment, the show – held in tandem with workspace, the region's premier office furniture gathering, and Middle East Covering, which unites the leading companies in surface design – also hosted a pool of influential Design Talks speakers, rang-

ing from former British Designer of the Year Bethan Gray, to Jazia Aldhanhani – CEO of Dubai Design & Fashion Council – and Lindsay Miller, Managing Director at Dubai Design District.

Fashion-cum-interiors innovator Henry Holland featured too. He said of INDEX: "The show was super impressive. I really liked the theme for this year, Design for the Senses. The luxury pavilion was amazing so many different international designers and such an amazing array of design talents.

"This was the first time I've been to Dubai for four years and it has changed so much. The speed at which it's de-



the right products."

As an exhibitor, John Raymond – general manager of the project division at M.A.H.Y Khoory, used INDEX as a platform to meet the buyers he wants to invest in his kitchen range.

He said: "INDEX is the place contractors and consultants come shopping for materials. That was very important for us in attending. We will return as we've found that a lot of the contacts we made have been very positive. There's no one who came just to look into the stand – they were all serious buyers and business owners."

veloping and growing in both culture and architecture is really interesting. There's such an amazing blank canvas here – it's such an exciting place to be."

Paul Murphy attended INDEX in his role as design director with Drawlink Group. He explained: "We attend INDEX for a few reasons. We're always looking for new sources for materials, ways to improve what we're doing and to keep ourselves knowledgeable. People come to our offices regularly to show us products but to be here where they can express themselves in their own way is important and allows us to diversify our opinions and diversify our thought process. It's an interesting show that allows people to express themselves and allows us to manage ourselves and find

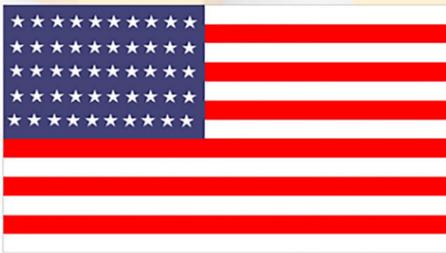
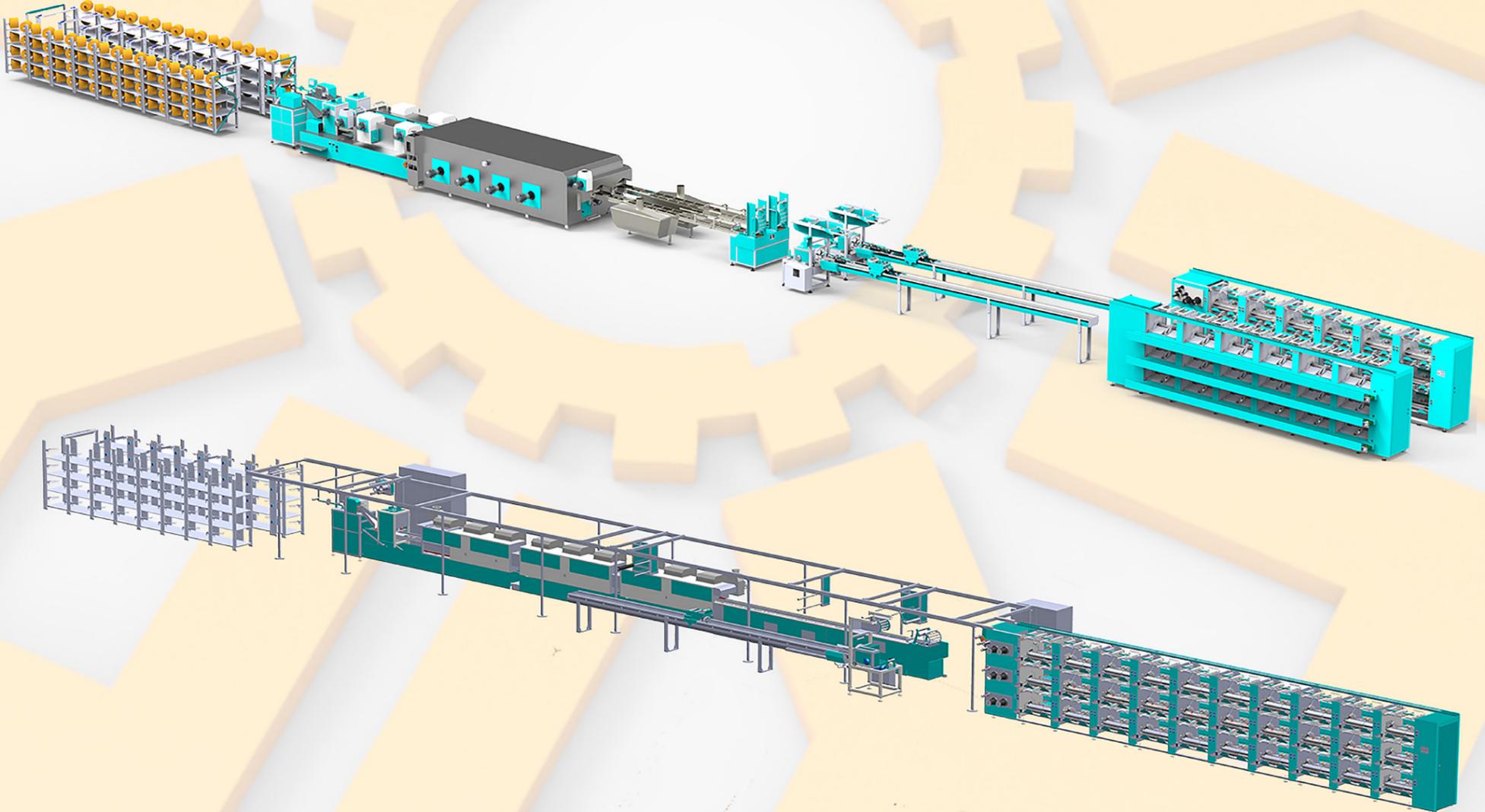
With more than one in every three exhibitors already confirming their attendance for INDEX 2018 – which takes place earlier in the year, March 26-29 – the four-day exhibition has been heralded as a success.

Samantha Kane-Macdonald, event director at INDEX, said: "Our show this year had a genuine buzz throughout it – a real sense of beautiful, exciting, organic design coming to life. Many factors contributed to that sensation: our live interactive design features, the green theme, the quality of our Design Talks speakers and content, welcoming more high-end designers than ever before. It was a really special week and we can't wait to get going for 2018."



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