Profiles of Five Fast Growing Nonwovens Producer

Five major nonwovens producers—Finland-based Ahlstrom, USA-based Kimberly-Clark, Denmark-based Fibertex, Israel-based Avgol and Czech Republic-based Pegas Nonwovens—have achieved impressive sales growth in recent years. Two companies, Ahlstrom and Kimberly-Clark, originated as paper manufacturers but later went on to diversify into nonwovens. By contrast, Fibertex began operations in the 1960s as a producer of needlepunch nonwovens. Avgol and Pegas are relatively new companies, having been established less than 20 years ago.

Various growth strategies have been adopted by the five companies, including expanding existing capacities, undertaking research and development, making acquisitions, diversifying, and expanding internationally. Interestingly, the emphasis placed on each strategy depends on a company’s stage of development. Ahlstrom, for example—having already established a wide product portfolio and a large manufacturing base—has followed an aggressive strategy of international expansion in recent years. Its acquisition activity has focused mainly on setting up factories and sales offices in established Western markets although it has recently set up production facilities in Brazil, China and South Korea. Kimberly-Clark, by contrast, has generated growth by developing and establishing brands and patents and by investing in research and development. For the future, however, it is focusing on the fast growing BRICIT (Brazil, Russia, India, China, Indonesia and Turkey) countries, the Americas and parts of Asia.

Fibertex diversified in the 1970s from the manufacture of needlepunch nonwovens to geotextiles and nonwovens for household textiles. In the 1980s and 1990s it expanded by setting up several new production facilities in Denmark. Since 2003 it has expanded into low cost locations abroad by building facilities in Malaysia and the Czech Republic. Avgol’s production operations were solely in Israel prior to 2001. Since then, it has established a manufacturing presence in the USA and, more recently, in China—albeit through a joint venture. Avgol is in the process of building a nonwovens facility in Russia to serve emerging markets in Eastern Europe, Central Asia and other parts of the former Soviet Union.

Pegas’s strategy differs from those of the other four companies in that its only production facilities are in the Czech Republic. Despite this limitation, its sales have grown by virtue of its close proximity to markets in the EU, Eastern Europe and Russia and its low labour cost base in the Czech Republic.

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