

## Press information

Oerlikon Textile Inc. celebrates 50<sup>th</sup> anniversary

# 50 years as the technological ambassador to the USA

**Charlotte, Dalton, August 21<sup>th</sup>, 2015 - Products such as nylon stockings and denim jeans, brands such as Lycra® and companies such as DuPont are global landmarks in US-American textile history. However, for the last 50 years – and this is not an overstatement – two German ‘imports’ have also made invaluable contributions to the success of this region of the textile world so dominant for many years: Barmag and Neumag, today part of Oerlikon Manmade Fibers, with its US activities and subsidiaries. The American Barmag Corporation and the Neumag USA Corporation have been important cornerstones of our foreign business for many years now – and have been technology ambassadors to the ‘Land of the Free’.**

Many things change over time, but some things remain the same. With a service station in Dalton, GA that opened in 2015, Oerlikon Manmade Fibers is making a clear statement about the high value it attributes to customer support in the ‘Land of the Stars and Stripes’. “We wanted to strengthen our service offerings and Dalton is an important step towards achieving this goal”, states Chip Hartzog, President of Oerlikon Textile Inc. in the USA. “And our customers are also investing in this region.”

Exactly 50 years ago, Barmag decided – for the very same reasons – to establish its first US subsidiary. In 1965, the USA was the largest manufacturer of manmade fibers, producing one-third of global output. Barmag’s business activities in the US were still limited to occasional deliveries. In 1958, the company had signed a license agreement with a US partner for the manufacture of extruders and extrusion systems – a new production segment at the time. However, the US market was now awarded ‘special attention’, as outlined in the Barmag company chronicle: to secure its position as a machine supplier, ‘its own company in the USA’ was required, comprising sales, customer service and technical support. As the US textile industry has been traditionally concentrated in the cotton centers in the southeastern states, the economically-strong Charlotte site in North Carolina was chosen as the base. From here, the company wanted to show its presence and compete with local players in the USA, Canada and Mexico.

A veritable success story began with the founding of the American Barmag Corporation (ABC) and initially just two employees. Over the three following years, US imports of textile machines rose to a ratio of 27 percent, whereby Germany alone accounted for well in excess of one-third of these imports. The reasons for this were seen in the high quality and performance standards achieved by the German technology. And Barmag also assumed an increasing share of this: over time, successful products, such as the FK4, and later the FK6, the FK6M80 all the way through to the AFK and eAFK texturing machines, polyester and nylon spinning machines, winders and take-up machines, opened up – and then conquered – the hitherto natural fiber-dominated US market for manmade fibers.

In the first ten years, the ABC staff had already expanded to include 76 employees. On its own 80,000-square-meter industrial plot, the company site was successively expanded to more than 5,000 square

meters – providing premises for workshops, mechanical manufacturing, warehousing, offices and exhibitions rooms. In 1968, the US became Barmag’s largest export region and remained in the top group in the following years as well.

## **Neumag USA Corporation: founded in 1989**

In this timeframe, a new player entered the stage: the Neumag USA Corporation was founded in 1989, also headquartered in Charlotte. Two employees were responsible for the US and Mexico markets, while the most important spare parts were stored at the depot for fast delivery. Even decades earlier, the German parent company was, above all, successful as a supplier of staple fiber lines – a status that continues to this very day. The early-1980s saw the beginning of the activity for which the name Neumag is today decisively known in the US: the BCF systems business. US customers were secured in particular for draw-texturing machines for manufacturing BCF carpet yarn made from polypropylene.

In the 1990s, Neumag secured itself a market share of around 40 percent in the US with its BCF business – above all thanks to the new company in Charlotte. Neighbor and competitor Barmag was also successful: ABC repeatedly reported record sales, increased its staff to 240 employees and influenced the entire US manmade fiber and textile industry with such developments as draw-texturing and fast-speed spinning for POY.

## **Dawning of a new age with Saurer and Oerlikon**

A new age of textiles began at the turn of the millennium. The global textile industry was increasingly shifting to the Far East, with the major players reorienting themselves – also in the direction of manmade fibers. In 2000, the Swiss Saurer Group acquired Barmag and Neumag, with the Oerlikon Group taking over the textiles division of Saurer six years later. During these years, the businesses were consolidated and restructured: Neumag assumed the BCF activities and increasingly focused on the newly-oriented nonwovens division; Barmag concentrated its attention on the filament business. Here, the high-performance technologies of both companies complemented each other and resulted in superior products and, in part, high market shares. To this end, Neumag secured the lion’s share of the entire US BCF market with its S5, S+ and Sytec One BCF platforms and simultaneously supported the increasing polyester boom. Today, Neumag is the premium BCF brand throughout the world and is admired by its American clientele for its high quality at reasonable costs as well as for its local service and support offerings.

However, the modern US textile market, once the birthplace of many commercial manmade fibers, has reoriented itself – creating a mix of commodities, specialty goods and products for local requirements or goods with high value-added. Sustainability and recycling are playing an increasingly major role. While labor costs elsewhere are rising, certain US regions with low energy costs are once again becoming more interesting as manufacturing sites. Add to this the fact that many of the machines installed over the course of the past 30 years are still in operation.

This creates opportunities for Oerlikon Manmade Fibers with its current tally of 51 employees in the USA. “We are adding BCF, IDY, FDY and texturing capacities in North America and are also modernizing equipment delivered many years ago. We recognize an opportunity to better support our industry partners, further decrease their lead times for parts and services and provide highly-specialized repair services to keep them competitive in the worldwide marketplace. This was a primary reason for our investment in the new Dalton Service Center”, states Chip Hartzog – and adds: “We have been the technological ambassador to the US for 50 years now – and are prepared to continue that tradition.”

## Captions:

Fig 1: The laying of the foundation stone for the American Barmag Corporation on August 16, 1965 marked the beginning of the successful 50-year presence of the current Oerlikon Manmade Fibers segment in the USA.

Fig 2: 50 years after establishing the first subsidiary of what is today the Oerlikon Manmade Fibers segment, the filament and BCF yarn manufacturing machine and systems construction market leader opened a further service station in Dalton, GA.

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## About Oerlikon

Oerlikon (SIX: OERL) is a leading, globally-active technology group supplying growth markets with market-leading technologies and services for surface solutions, systems for manufacturing manmade fibers, transmission systems and drive solutions as well as prevacuum and high vacuum technologies and pumps and the corresponding accessories. The leading Oerlikon technologies enable customers to increase their product performance and productivity, utilize resources and energy more efficiently and make a contribution towards sustainable development. As a Swiss company with a history stretching back more than 100 years, Oerlikon and its in excess of 15,500 employees are present at more than 200 sites in 36 different countries. In 2014, sales totaled CHF 3.2 billion. The company, which invested CHF 121 million in research and development in 2014, employees more than 1,300 specialists for developing innovative and customer-oriented products and services.

For further information: [www.oerlikon.com](http://www.oerlikon.com)

## About the Oerlikon Manmade Fibers segment

With its Oerlikon Barmag and Oerlikon Neumag brands, Oerlikon Manmade Fibers segment is the world market leader for manmade fiber filament spinning systems, texturing machines, BCF systems, staple fiber systems and artificial turf systems and – as a service provider – offers engineering solutions for the entire textile value added chain. As a future oriented company, the research and development at this division of the Oerlikon Group is driven by energy-efficiency and sustainable technologies. With the expansion of the product range to include polycondensation systems and their key components, the company now caters to the entire process – from the monomer all the way through to the textured yarn. The primary Oerlikon Barmag markets are in Asia, and – for Oerlikon Neumag – in the USA, Turkey and China. Correspondingly, Oerlikon Barmag and Oerlikon Neumag – with just under 2,500 employees – has a worldwide presence in 120 countries as part of the Oerlikon Manmade Fibers network of production, sales and distribution and service organizations. At the R&D centers in Remscheid, Neumünster and Chemnitz, highly-qualified engineers and technicians develop innovative and technologically-leading products for tomorrow's world.

For further information: [www.oerlikon.com/manmade-fibers](http://www.oerlikon.com/manmade-fibers)