The Fiber Year GmbH
VAT: CHE-116.333.732
www.thefiberyear.com

THE FIBER YEAR GMBH ››› VORDERAU 2 ››› CH-9325 ROGGWIL

Investments in Sustainability (July 2021)

Sustainability issues are increasingly gaining importance as fashion industry in particular has been dubbed as one of the most wasteful industries on earth. We need to act rather sooner than later and textile industry as growth model offers plenty of options.

There are many examples proving that industry is moving into the right direction. Furthermore, U.S. rejoining the Paris Climate Agreement will give stimulus and more attention toward environmental issues with probably a greater support for decarbonization, shift to renewables and efforts for circular economy. Rebuilding relationships by the Biden administration with trade partners and coordinated use of investments and trade & tariff policy may also promote decarbonization in major supplying countries. EU single-use plastic ban from this month is another strong signal and highlights EU's aim to become a forerunner in the global fight against marine litter and plastic pollution.

Investments are noticeable not only in sustainable fiber expansions but also in sustainable manufacturing to reduce greenhouse gas emissions and in recycling capacity additions for pre- and post consumer waste. Subsequently, we will focus on promising fiber investments.

Lyocell, a fiber with excellent wearing comfort, is subject to strong investments. Fibers produced in a closed loop system, recovering and reusing used solvents, significantly minimize the environmental impact of production.

Austrian Lenzing already in 1990s started commercial lyocell production and clearly leads the industry. The company is in the process of constructing a new plant in Thailand with an annual capacity of 100,000 tonnes from its first production line that is expected to come on-stream end of this year and up to three additional lines would be possible.

The other two large-scale viscose manufacturers, Birla and Sateri, both have lyocell capacity at their disposal by now. Sateri in March announced planning to expand its lyocell production in China to an annual capacity of up to 500,000 tonnes by 2025. Further investments in Turkey and essentially China from smaller producers is also in the pipeline.

There are a number of bio-based fibers such as nylon, polyester or PTT but in terms of market size and dynamics, it seems best to focus on PLA. The following information was kindly provided by nova-Institut, Germany. The focus of nova-Institut is on the transition of the chemical and material industry to renewable carbon. They offer unique support for the transition of businesses into a climate neutral future.

PLA is a dedicated fully bio-based polymer. What is the meaning of "dedicated"? Dedicated bio-based chemicals or polymers are materials which are produced commercially via a dedicated pathway and do not have an identical fossil-based counterpart. As such, they can be used to produce products that cannot be obtained through traditional chemical reactions. Their products may offer unique and superior properties that are unattainable with fossil-based alternatives.

PLA capacity last year expanded by 30% or nearly 100,000 tonnes following investments in Chinese industry and a global capacity level exceeding 0.6 million tonnes is projected for 2025. Two Chinese projects will add another 50,000 tonnes, 75,000 tonnes capacity will come on-stream in Thailand by 2024, 15,000 tonnes increase is expected for the U.S. and a new 100,000 tonnes plant in France is planned to be operational in 2024.