

A few highlights from Numera's Viscose 2016-2020 Outlook

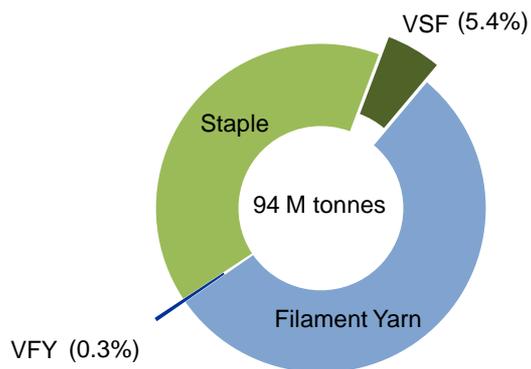
- In 2015, **global** viscose staple fibre (VSF) **capacity** broke through the 6-million tonne mark driven by 8 new lines entering commercial production and the ramp-up of 8 lines that started up in 2014.
- Shipments of VSF did not quite keep up with capacity last year, which pushed the **average operating rate** below the 85% level. Yet, in spite of a fractionally weaker balance and sharply weaker prices for competing fibres, the average price of VSF improved slightly in 2015.
- Staple fibre, overall, will continue to lose market share to synthetic filament (as will viscose and acetate filament yarn). However, producers of VSF will continue to see modest growth in sales over the forecast period, supported by strong growth from the **non-wovens sector** where VSF has clear advantages over cotton and synthetics in many applications.

- A growing focus on **higher value added VSF** fibres should also help support growth in sales over the forecast period.
- Growth in VSF capacity is set to slow based on **announced projects** that we classify as definite.
- Consequently we expect that in the VSF sector, operating rates will steadily improve starting in 2016. The upside in terms of **pricing**, though, could be limited by a number of factors.
- Viscose filament yarn (VFY) is expected to make up less than 6% of total viscose shipments this year. The commodity VFY segment faces **structural headwinds** that will keep operating levels quite low. In the high-tenacity segment, both shipments and capacity are projected to slowly edge up through 2020.



VSF/VFY shares of global fibre production in 2015

Global Fibre Production – By Type

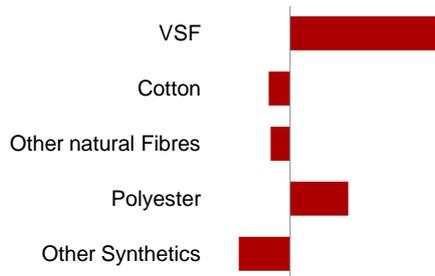


VSF still growing, helped by non-wovens

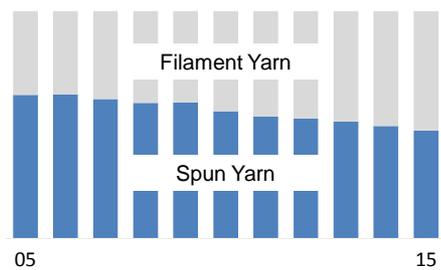
VSF still growing in spite of...

... shift away from spun yarns

Global staple fibre production
AAGR (2005-15)

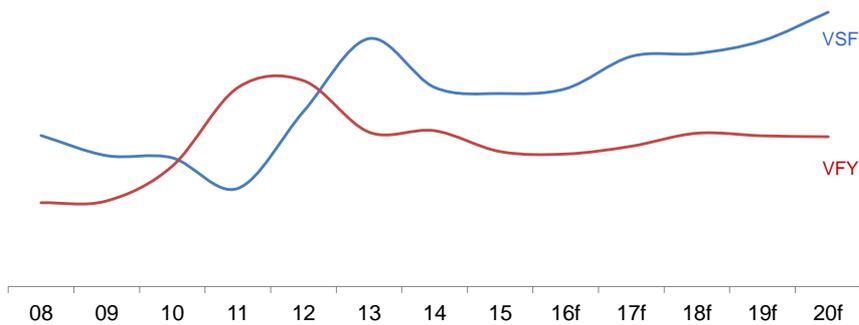


Global yarn production
as a % of total production



Relative operating levels in the viscose sector

DWP shipments as a % of capacity



- *The outlook report contains 22 **detailed tables** on the fibre and viscose markets covering the years 2011-2020, with accompanying analysis, as well as an 8 page **project list** covering major VSF/VFY capacity changes during the period 2008-2020.*
- *The analysis explores the **structural shift** from spun to filament yarn; the drivers of VSF demand and the role of the non-wovens sector; the factors influencing the outlook for VSF pricing; and the divergent outlook for VSF versus commodity VFY.*
- *This outlook, like all Numera forecasts, has been built from the bottom up, based on **hard data**, carefully validated, as evidenced by the detail and internal coherence of the data sets presented.*
- *Numera is the only research consultancy with **staff dedicated full time to specialty fibres**, and is uniquely positioned to support clients who appreciate the value that rigorous analytics can bring to an organization.*
- ***Contact George Emery (gemery@numeraanalytics.com) for information on this report, other products related to specialty fibres, as well as our custom research services.***

