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January-February Textile/Apparel Export Shipments to Europe Up 48 Percent

DATE: 2007/04/13

China's January through February textile and apparel exports soared 39.87 percent to 24.039 billion U.S. dollars. This growth was apparently fueled by increasing export prices and expedited shipments ahead of a possible reduction in export tax rebates. Discussions are underway about a two-percent reduction occurring in the VAT tax rebate for textiles and apparel, so exporters are hastily trying to move shipments out ahead of any possible changes.

January through February exports to Asia expanded 25.28 percent to 10.001 billion U.S. dollars. The percentage of shipments moving to Asia has declined as growth to other regions has accelerated. Total shipments to Europe increased 48 percent to 6.293 billion U.S. dollars, with 4.874 billion dollars of that total going to the European Union, which represented 53 percent year-on-year growth. Shipments to Africa have soared 62.8 percent to 1.213 billion U.S. dollars, while exports to the U.S. were up 58.85 percent at 3.991 billion U.S. dollars. This growth has been led by a 48.15 percent expansion in cotton product shipments, which accounted for 9.737 billion U.S. dollars of the total exports.

Source: globecotnews

Import Prices Approach Trigger Points

DATE: 2007/04/13

For mills holding one percent import quotas, available imported cotton is cheap versus local cotton. For any mills receiving new general trade quotas with the rather complex sliding-scale tax, imported cotton is now approaching the attractive point, following the renewed weakness in international prices. When VAT and port charges apply, the current average landed-the-mill price of SM 1-1/8" is near the equivalent of 79.23. A 58-cent CIF Chinese port price is equivalent to near 69.12, with VAT and port charges raising it to 79.98 cents landed-the-mill. But at this level, many mills, if they have quotas, prefer imported cotton.

The weakness in offers of U.S. and West African cotton has stimulated offtake in China. The import sliding scale is applied on a CIF China basis. The minimum tax is 6 percent at the equivalent of 11,397 yuan per ton CIF value, which is currently approximately 66.80 U.S. cents per pound. The continued monthly appreciation of the yuan is moving the equivalent price in U.S. cents per pound higher. In December 2006, the equivalent price was 65.67 U.S. cents per pound -- all cotton falling below this price draws a higher tax.

A substantial volume of U.S. low-grade, Uzbekistani, West African, Brazilian and Indian cotton has sold this week. Most of the offtake appears concentrated from mills with processing quotas.

Source: globecotnews

China International Cotton Conference in Urumqi

DATE: 2007/04/13

Since it was first inaugurated in Xinjiang in 1999, the China International Cotton Conference has become an influential forum and an important event for world cotton and textiles industries. The fifth session of the Conference will be held on June 27 -29 in Urumqi, Xinjiang Municipality Province, China, where 2.3 million tons of cotton have been produced in recent years.

The Conference will be jointly organized by the China Cotton Association (CCA), the Research Center for Rural Economy (RCRE) of the Ministry of Agriculture, and the China National Cotton Exchange (CNCE), in co-operation with the China Cotton Textile Association (CCTA) and National Cotton Council of America (NCC). Cotlook limited, Operated by Xinjiang Municipality Cotton Association (XMCA), Xinjiang Production and Construction Cotton Association (XPCCA), Beijing Cotton Outlook Consulting Co Ltd media support by cotlook and cottonchina organization. The theme of the 2007 Conference is "China's Cotton Industry on WTO and It's Implications The Global Market".

The Conference will include three main sessions. One focuses on the short-term outlook for the world cotton and cotton textile markets with emphasis on development experiences and challenges in major producing and consuming countries. The second session will assess trends and perspectives of global fiber consumption, cotton production and consumption and their impacts on the world cotton market. The third session will discuss challenges and options facing the Chinese cotton industry under the rapid expansion of the textiles industries.

Source: China Textile Network Company

Round-table Q&A periods will be organized to address various issues related to world cotton prices and trade policies and practices in China. An additional special business session will provide an opportunity for international traders to exchange information with their Chinese counterparts and explore opportunities to participate in the Chinese domestic cotton trade. Senior government officials, industry leaders and researchers from major cotton producing and consuming countries and international organizations and CEOs from leading world cotton trading companies will make presentations at this Conference.

Source: China Cotton Association

The Export Amplitude of China Textile Products Will Exceed 15% In 2007

DATE: 2007/04/12

According to the National Development and Reform Commission (NDRC), the export amplitude of China textile products will exceed 15% in 2007. Relative to 25.1% of the amplitude in 2006, the anticipation given by the National Development and Reform Commission yesterday is relatively conservative, because the export of national weave industry will be confronted with four aspects of deterring factors as follows:

First of all, it will further weaken the price advantage of export of our nation textile products costume because the RMB is continue to increase in value, which brings pressure for the export corporation of textile products; Next, the influence brought by lowering the rate of tax reimbursement for export will be appear in 2007;

Third, the nonsteady trade environment brought by Occident limitation and trade friction impersonally provide uncommonly developing opportunity for the main competing adversary of our nation weave industry; Fourth, resource environment constraint will restrict the industry development. In 2007, the weave industry is still faced with such resource and environment constraint as internal cotton scarcity, chemical fiber depending on import for long term.

March Yarn Output Soars to 1.5918 Million Tons

DATE: 2007/04/12

China's yarn production soared to 1,591,800 tons in March, which was up 21.2 percent from last year and 37.3 percent from February. It also reflected the coming on line of new capacity. China's fixed asset investment in 2006 reached a record 202.970 billion yuan, which was up from 159.711 billion in 2005. January through February 2007 investment has further increased to 18.05 billion yuan. Such investment is continuing to expand textile product output. September 2006 through March 2007 cumulative yarn production reached 10,563,900 tons, reflecting 19.6 percent year-on-year growth.

International Rules Should Balance Interests of Countries at Different Stages of Development

DATE: 2007/04/10

"The evolution and development of international rules for IP protection should fully reflect the principles of fairness and justice and balance the interests of countries at different stages of development as much as possible," said TIAN Lipu, Commissioner of the SIPO recently in his keynote speech on "Global Trends in IP Protection" at the Global Forum on Intellectual Property Protection and Innovation held in Beijing.

"The Chinese government has made unremitting efforts on strengthening IP protection in recent years with obvious results," said TIAN Lipu. He remarked that China is a responsible developing country. It is but a necessity that China should fulfill its obligations to international treaties and further its IP protection in its drive to create an environment that attracts advanced foreign technology and foreign investment and to improve its own innovative ability and self-development.

Mr. TIAN reiterated that even when strengthening IP protection has become an inevitable trend, every country should fully understand that "IP system can only truly promote innovation and development when it is in line with the country's own socio-economic development and productivity and when it strikes a good balance between encouraging innovation and promoting competition."

Source: www.sipo.gov.cn

Industrial Profits Grew 43.8 Percent in the First Two Months

DATE: 2007/04/10

From January to February, the industrial enterprises above designated size (all state-owned enterprises and non-state enterprises with an annual sales income over 5 million yuan, same as follows) achieved 293.2 billion yuan, a year on year rise of 43.8 percent. The comprehensive industrial benefit index of this period hit 186.51, 20.65 points higher from the same period a year ago.

The profit of state-owned and state-controlled enterprises in the industrial enterprises that above designated size arrived at 139 billion yuan, soared 49.3 percent from the same period last year. The profits gained by collective-owned enterprises was 7.1 billion yuan, rose by 36 percent; that of share-holding enterprises gained 154.6 billion yuan, a rise of 41.8 percent; that of enterprises invested by foreign merchants, or by Hong Kong, Macao and Taiwan-funded enterprises stood at 79.8 billion yuan, a rise of 35.7 percent and that of private enterprises was 40.7 billion yuan, increased 51.4 percent.

Within 39 branches of industry, the growth rate of steel industry increased 3.6 times year-on-year; that of manufacture of non-metallic mineral products rose by 1.2 times; that of chemical fibers industry up by 2.2 times; that of manufacture of raw chemical materials and chemical products, electric power industry, coal mining industry, manufacture of special purpose machinery, transport equipment manufacturing, smelting and pressing of nonferrous metals increased 80.1, 66.7, 57.3, 76.7, 68.4 and 31 percent respectively, year-on-year. Of which, processing of petroleum and coking industry turned to get profits of 14.8 billion yuan from net loss of 4.6 billion yuan of last year. The

Source: China Textile Network Company

profits of petroleum and natural gas exploitation declined by 18.6 percent, and that of electronic communication equipment industry decreased 14.2 percent.

The total volume of tax contributed by industrial enterprises above designated size amounted to 238.1 billion yuan, a year on year rise of 24.9 percent. The main income for industrial enterprises above designated size reached 4,876.4 billion yuan, 27.7 percent higher than in the same period last year. At the end of February, the total volume of net receivable for industrial enterprises above designated size amounted to 3,065 billion yuan, a year on year increase of 18.9 percent. The total value of finished products for industrial enterprises was 1,415.6 billion yuan, rose by 18.4 percent.

Source: National Bureau of Statistics of China

Cotton import value was down in the first two months

DATE: 2007/04/06

Statistics from the China Customs show that our cotton import value was down by 60.69% in the first two months and as the landed cost of Indian cotton from sea route is still cheaper than the cotton imports from other countries, so that the Indian cotton accounted for 55% of total volume of imported cotton.

In Feb., the total import of cotton amounted to 125,000 tons, almost unchanged from the previous month, whilst accumulative total during Jan.-Feb. amounted to 248,200 tons, down 60.09% from the same period of last year. The actual average import price ran all the way up to \$ 1.33/kg, rising 1.53%.

According to the International Cotton Advisory Committee, international cotton trade is expected to rebound from 8.5 million tons in 2006/07 to 9.2 million tons in 2007/08, driven by an expected rebound in Chinese imports.

Qingdao Clothing Enterprises Struggle for Exporting their Products

DATE: 2007/04/09

March 29th in the sewing workshop of Jifa Group, dozens of women workers are striving to make cloths to be exported to Japan.

The financial affairs minister of Jifa Group Qiu Suying says that the clothes they strive to make are expected to be exported before April 15th. If they fail to export them before that date, the enterprise may suffer a loss of tens of million Yuan;± said she. Similar to Jifa group, presently, a lot of textile enterprises in Qingdao are getting themselves busied with exporting their products before the reduction of the refund duty rate. What causes them to do so is nothing but an unconfirmed piece of news: the refund duty rate of clothing export will possibly be reduced from 13% to 11% since April 15th this year.

According to an analysis, with the volume of trade of 2006 as the base, if the clothing refund duty rate is reduced by 1%, the clothing industries of china will directly suffer a loss of 1.5 billion Yuan in

Source: China Textile Network Company

terms of profit. By report, many companies depend upon the several percentages of refund duty rate to make profit. The medium-sized and small ones of them may be washed out of the game by this policy.

Viet Nam aims \$100 billion on exports

DATE: 2007/04/10

If the Vietnamese Government and businesses take advantage of the opportunities afforded by WTO membership, and overcome the challenges this status presents, the country will likely have an export turnover of US\$100 billion in the next four or five years, said a trade official. Deputy Minister of Trade Luong Van Tu made the comments at the Forum on Export Promotion of Viet Nam held in Ha Noi on April 6. The forum was part of the 17th Viet Nam International Trade Fair (Vietnam Expo 2007) organised to introduce and discuss regulations and market challenges Vietnamese products will face under the WTO.

The WTO membership brings opportunities for export enterprises to penetrate the global market, Tu said. However, he also noted businesses should be aware of possible trade barriers like anti-dumping disputes and technical requirements. Tu emphasised the importance of trade promotion activities, explaining they played an important role in Viet Nam's nearly \$40 billion export industry last year. He stated the trade ministry will intensify assistance for export enterprises to avoid possible trade barriers and disputes and ensure the industry's sustainable growth.

Le Dang Doanh, economic advisor at the Ministry of Planning and Investment (MPI), addressed the conference and stressed Vietnamese exports face fierce competition from neighbouring countries, especially China. He said Vietnamese businesses should not consider decreasing the price of goods as the best way to compete because it could lead to anti-dumping disputes and lost profits. "Vietnamese enterprises should not directly compete with established Chinese products and, instead, should find an untapped or niche market," said Doanh.

Tran Huu Huynh, head of the Legal Department under the Viet Nam Chamber of Commerce and Industry, said the State's export supervision mechanism, which is "open" and "flexible", will play a positive role in helping the industry face challenges like trade barriers and disputes. Huynh Buu Quang from HSBC made a speech at the forum and introduced the bank's financial assisting services for export businesses including Supply Chain Solutions, Purchase Order Payment Solutions and Enhanced Trade Advances. In addition to the forum, nine economic co-operative contracts and a memorandum of understanding were signed at the fair.

The combined value of the contracts is US\$100 million, most of which involve agricultural, garment and textile products. The first \$40 million contract was signed between Viet Tien Garment Corporation and Prominent Eurpo Ltd & Itochu USA LLC. The second contract was signed by Thang Long Garments Joint-Stock Company and Danish Kwintet worth \$1.2 million. Tu said the total value of the contracts agreed to during the fair reached \$500 million. The largest by far was a deal inked by Viet Nam and China's Yunnan Province worth more than \$400 million.

Source: Asian News Network

WSM to be Zara in China

DATE: 2007/04/13

It has been two years since the Spanish fashion retailer Zara entered China market. Its instant reaction of its supplying chain and creative operating model ignited the heat of Zara Model learning among the Chinese apparel enterprises. The outstanding feature of Zara model is instant reaction. Zara can make a new line, from the initial concept to when it arrives in the shops, in just three weeks.

WSM company, owned by Zhenwei Group, is one of the Zara Model learners in China. The Group's vice Chairperson Ms. Xie Huidiao told Weekly, "WSM, as the first Chinese apparel company that began to practice Zara Model, brought in Zara model in last September, and will spread the application within this year." The practice is now under the guidance of the Chinese expert of Zara model and professor of Management School of Chinese Academy of Sciences Professor Han Yongsheng.

Source: www.cnga.org.cn

Analyses of China fiber production and sales from Jan. to Feb. 2007

DATE: 2007/04/13

Chemical Fiber production and sales

According to the data statistics of CWDA (China Weave Distribution Association), from Jan. to Feb. 2007, China's accumulative total production of rayon staple viscose fiber reached 143271 tons, distributed accumulative total 143694 tons, the stock of eom are 23518 tons. From Jan to Feb, the rate of output is accumulative total 100.30%, the stock level is 33.43%.

From Jan. to Feb. 2007, China (Statistic sample corporations) has accumulatively produced 815583 tons of synthetic fiber; accumulative total sale is 765747 tons; the stock of EOM is 148647 tons, and the rate of output from production is 93.88%; the stock level is 18.22%.

From Jan. to Feb. 2007, China has accumulatively produced 852522 tons of polyester chip; accumulative total sale is 825246 tons; the stock of EOM is 100727 tons.; and the rate of output from production is 96.80%; the stock level is 24.62%.

Terylene fiber production and sales

1. In January, the output of TERYLENE FIBER increased, but the sales volumes of TERYLENE FIBER decreased. According to the production and marketing data statistics for chemical fiber of CWDA, in January 2007, the output of TERYLENE FIBER throughout the country are 356904 tons, the distribution of TERYLENE FIBER is 347817 tons, the stocks are 86914 tons, the rate of output from production in this month is 97.45%, and the stock level is 24.35%.
2. In February, the output and sales volumes of TERYLENE FIBER largely decreased while stocks increased. Short fiber: the output in February decreased by 22039 tons than that in January; The distributions decreased by 23636 tons.

Source: China Textile Network Company

Continuous yarn filament: the output in February decreased by 15641 tons than that in January; The distributions decreased by 28674 tons; In February of this year, the production and distribution of TERYLENE FIBER shrink than that in January, but better than that at the same period of last year.

Acrylic fiber production and sales

According to the analysis of CWDA (China Weave Distribution Association), China's production and marketing of acrylic fiber from January to February in 2007 is as follows:

1. In January, the output and sales volumes of ACRYLIC FIBER increased while the stocks decreased, and the rate of production, marketing and the stock level decreased. According to the production and marketing data statistics for chemical fiber of CWDA, in January 2007, the output of ACRYLIC FIBER throughout the country reached 58545 tons, and the distribution, stock, and the rate of output from production are 53350 tons, 15937 tons and 91.13% respectively.

2. In February, the output and sales volumes of ACRYLIC FIBER decreased, but the stocks increased, the rate of output from production decreased, and the stock level increased. Affected by holiday, the production and distribution of ACRYLIC STAPLE FIBRE and ACRYLICS WOOL TOPS all decreased.

In February, the production of ACRYLICS WOOL TOPS reached 15746 tons, decreased by 1470 tons than that in January while increased 1572 ton from same period of last year. The distribution of ACRYLICS WOOL TOPS is 13085 tons, decreased by 4030 tons than that in January while decreased 572 tons from same period of last year. The stocks are 10249 tons, increased by 2660 tons than that in January while increased 5663 tons from same period of last year.