

EXTRACT**Content:**

- **China's GDP grows 11.1% in 1st quarter**
- **Fabrics Exports in January 2007 By Major Markets**
- **China's consumer price index rises 3.3% in March**
- **Ninety Percent of Textile Companies Long for the Continuous Quota Management**
- **Two corporations have won the first antidumping case**
- **Export tax rebate cut talk hurts expo**
- **Canton Fair: The Deal Making in Textile and Clothing is Getting Better**
- **Cotton Demand May Reach 11mn Tons This Year**
- **Apparel Output Increases 18 Percent in January-February**
- **The priced quotations of Southwest textile market behave stable**
- **January-February 2007 Textile FAI Reaches 18.05 Billion Yuan**
- **Cotton Yarn Prices Hold Steady**

China's GDP grows 11.1% in 1st quarter

DATE: 2007/04/20

China's gross domestic product, or GDP, totalled 5.03 trillion yuan (653 billion U.S. dollars) in the first quarter of this year, according to latest figures provided by the National Bureau of Statistics (NBS) Thursday. The growth was 0.7 percentage points higher than the year-earlier level, or 0.4 percentage points higher than the level for whole of last year.

China's primary, secondary and tertiary sectors reported a respective 363.1 billion, 2.56 trillion and 2.11 trillion yuan in added value, with the secondary sector, including manufacturing, mining and construction, growing at the fastest year-on-year rate -- 13.2 percent -- in the January-March period, the statistical bureau said. The primary sector posted a growth rate of 4.4 percent and the tertiary sector, including transport, posts and telecommunications, catering, tourism, banking and insurance, recorded an increase of 9.9 percent, the bureau added.

The rapid economic growth was driven by investment, consumption and import and export, said Li Xiaochao, spokesman with the statistical bureau, citing consumption in particular, which grew in an impressive way in the first quarter. As for the question about whether the Chinese economy is overheated, Li said it was a comprehensive problem, and to judge whether it is overheated, the GDP-growth indicator alone was not enough. But Li warned that now there existed a risk for the economy to evolve from fast growth to overheating.

According to the bureau, China's consumer price index, or CPI, a major inflation index, grew by 2.7 percent in the first quarter, 1.5 percentage points higher than the same period of last year. The three-month period saw a quicker growth in retail sales together with a slower growth in investment, which was seen as a healthier development for the fast-growing national economy, according to Li Xiaochao.

The nation's retail sales was up 14.9 percent year-on-year to 2.12 trillion yuan (275.2 billion U.S. dollars), with the increment 2.1 percentage points higher than a year earlier. Fixed-assets investment amounted to 1.75 trillion yuan (227.6 billion U.S. dollars), up 23.7 percent. The growth was four percentage points slower than the same period of last year. Of the total, however, the real estate sector used 254.4 billion yuan (33 billion U.S. dollars), up 26.9 percent. The growth rate was 6.7 percentage points higher than the year-earlier level and 1.6 percentage points than the growth rate for fixed assets investment in urban areas. Input in residential housing projects stood at 246.2 billion yuan, up 30.4 percent, 7.3 percentage points quicker than the year-earlier level.

Between January and March, China realized 457.7 billion U.S. dollars in foreign trade, up 23.3 percent. The total included 252.1 billion U.S. dollars in export value, up 27.8 percent, and 205.7 billion U.S. dollars in import value, up 18.2 percent. The trade surplus reached 46.4 billion U.S. dollars, 23.1 billion U.S. dollars more than the year-earlier level. China actually used 15.9 billion U.S. dollars in foreign direct investment in the three months, up 11.6 percent. By the end of March, the country's foreign exchange reserves stood at 1.2 trillion U.S. dollars, an increment of 135.7 billion U.S. dollars from the end of 2006.

In the first quarter, urban residents had their per-capita disposable income rise 19.5 percent, or 16.6 percent in real term, to 3,935 yuan, and the cash income of rural dwellers up 15.2 percent, or 12.1 percent in real term, to 1,260 yuan. The real-term growth in urbanites' income was 5.8 percentage points higher year-on-year, while farmers' income grew 0.6 percentage points quicker. At the end of March, the outstanding amount of narrow money, or M1 (cash plus corporate current deposits), stood at 12.8 trillion yuan, a growth of 19.8 percent year-on-year, 7.1 percentage points quicker. The outstanding amount of broad money, or M2 (M1 plus residential savings deposits), stood at 36.4 trillion yuan, a growth of 17.3 percent year-on-year, 1.5 percentage points slower.

Cash in circulation (M0) amounted to 2.7 trillion yuan, a growth of 16.7 percent, 6.2 percentage points faster. At the end of March, yuan-denominated deposits outstanding at financial institutions nationwide reached 35.42 trillion yuan, up 1.9 trillion yuan from the level at the beginning of the year; and loans outstanding nationwide stood at 23.96 trillion yuan, up 1.4 trillion yuan. In the first quarter, the nation's industrial output increased by 18.3 percent over the same 2006 period. The growth was 1.6 percentage points higher year on year and 1.7 percentage points higher than all of 2006, according to the statistical bureau.

Heavy industry grew 19.6 percent, two percentage points higher than the same period of last year; and light industry by 15.6 percent, a rise of 0.9 percentage point. The production of electricity was up 15.5 percent, and that of coal was up 14.8 percent. The output of steel products rose by 26.2 percent. Handset production grew 35.3 percent. Auto output was up 22.3 percent with sedans up 32.1 percent.

The first three months saw the industrial profits grew drastically. Enterprises with a sales revenue exceeding five million yuan registered a profit totaling 293.2 billion yuan, up 43.8 percent, 22 percentage points higher than the increase at the same time last year. These enterprises sold 97.1 percent of their products in the first quarter, down 0.07 percentage point against the same time last year. Among the 39 industries, 35 witnessed profit growth. Steel, power, chemical, transportation facility manufacturing and oil refining industries were the fastest-growing.

Source: xinhuanet

Source: China Textile Network Company

Fabrics Exports in January 2007 By Major Markets

DATE: 2007/04/20

Ranked by export value Unit: meter/10 thousand US\$									
Rank	Markets	Quantity	% Variation	%Share	Value	% Variation	%Share	Unit Price	% Variation
-	Total	507,072,661	-11.63	100.00	44523.07	-5.32	100.00	0.88	7.14
1	United Arab Emirates	47,915,641	-11.93	9.45	4220.94	-7.12	9.48	0.88	5.47
2	Hong Kong	30,934,732	-19.18	6.10	2842.81	-3.53	6.39	0.92	19.37
3	Pakistan	34,015,103	8.66	6.71	2549.11	17.94	5.73	0.75	8.54
4	Italy	15,117,354	14.57	2.98	2241.71	17.20	5.03	1.48	2.30
5	India	17,135,257	-1.65	3.38	2126.02	-8.87	4.78	1.24	-7.34
6	Brazil	29,538,739	21.70	5.83	1758.51	16.24	3.95	0.60	-4.48
7	Germany	17,017,320	23.66	3.36	1669.86	16.88	3.75	0.98	-5.48
8	South Korea	16,601,585	3.44	3.27	1563.99	4.37	3.51	0.94	0.90
9	Iran	16,095,893	-63.41	3.17	1213.85	-65.25	2.73	0.75	-5.04
10	Russia	15,465,907	-16.01	3.05	1133.82	6.59	2.55	0.73	26.91
11	United States	5,187,364	-56.12	1.02	1049.42	-29.02	2.36	2.02	61.76
12	Ukraine	11,816,460	-19.49	2.33	969.37	-9.51	2.18	0.82	12.39
13	Turkey	7,943,333	7.58	1.57	906.10	-11.98	2.04	1.14	-18.18
14	Mexico	11,326,824	-48.55	2.23	850.00	-23.22	1.91	0.75	49.21
15	Egypt	8,800,209	48.04	1.74	808.78	74.81	1.82	0.92	18.08
16	Malaysia	10,042,654	-31.25	1.98	805.69	-21.17	1.81	0.80	14.66
17	Indonesia	8,471,715	-7.91	1.67	792.46	11.90	1.78	0.94	21.51
18	Finland	5,959,130	40.08	1.18	686.33	89.65	1.54	1.15	35.39
19	Spain	5,683,313	98.93	1.12	668.80	87.00	1.50	1.18	-6.00
20	South Africa	6,592,009	-19.54	1.30	666.74	-0.80	1.50	1.01	23.29

Source: China Custom

China's consumer price index rises 3.3% in March

DATE: 2007/04/20

China's consumer price index (CPI) rose 3.3 percent in March compared with a year ago, Li Xiaochao, spokesman with the National Bureau of Statistics, said on Thursday. The index, a main gauge of inflation, is the highest in 25 months after it hit 3.9 percent in February 2005. Li said at a news conference that the consumer price index in the first quarter of this year climbed 2.7 percent, 1.5 percent higher than for the first three months last year.

He said the CPI in March was 0.3 percent lower compared with February, adding that food prices had soared 6.2 percent between January and March. "The overall prices remain stable, but there exists inflation pressures as grain and oil prices remain high," he said. The Chinese government has set a target of three percent for this year's CPI. Cai Zhizhou, a researcher with Peking University, said the government should pay more attention to the grain and oil prices, the major drivers of inflation, as they were very high compared with early last year.

Zhuang Jian, Beijing-based economist with the Asian Development Bank, said the rapid economic

Source: China Textile Network Company

growth, the abundant liquidity and rising household incomes all contributed to the inflation surge. "Inflationary pressure will continue to build as there is scant possibility of grain price cuts, while prices of gas, electricity and water are set to rise in the future," Zhuang said. Li noted China's GDP expanded 11.1 percent year-on-year in the first quarter. He added that the M2, the broad measure of money supply that covers cash in circulation plus all deposits, jumped 17.3 percent to 36.41 trillion yuan (4.72 trillion U.S. dollars) at the end of March.

He said that China would continue to strengthen macro-control measures to solve problems that include excessive liquidity and a huge international payments surplus. Analysts said the huge payments and trade surpluses had boosted liquidity, which had in turn fueled inflation. China's trade surplus reached 46.4 billion yuan in the first quarter, double that of the same period last year.

Source:xinhuanet

Ninety Percent of Textile Companies Long for the Continuous Quota Management

DATE: 2007/04/19

Till now, many textile export companies still cannot get over the fear of unrest triggered by the abolishment of textile quota in 2005. The Sino-EU textile agreement will be expired by the end of the year, thus how to normalize the textile exportation after the expiration of the agreement has become the focus of the Spring Export Commodities Fair. Many textile companies declared yesterday that they longed for the continuous implementation of the quota management after the expiration of the agreement.

"We were worried very much there will come another fluctuation in the textile exportation to the European Union after the expiration of the agreement", recalled by Zhong Haosen, the general manager of Jiali Division of Guangdong Textiles Import & Export Co., Ltd.. In 2005, The exportation quota of textile was abolished. The blowout of textile exportation came forth. Hereafter Europe and USA began to apply the restrictive police to Chinese textile products. Due to the late coming of the outcome of the negotiation and the uncertain prospect, the number of customers from Europe and USA attending the Autumn Export Commodities Fair that year was obviously decreased. Even if there was an order, no one dared to accept it.

According to Sino-EU textile agreement, from June 6th 2005 to the end of this year, there will be a restriction on export quantity of 11 kinds of textile products including T-shirt to European Union and the export volume will increase by 8%~12.5% annually. Facing the coming of the expiration of the agreement, Sun Huaibin, the news spokesman of China National Textile and Apparel Council appealed recently that the textile companies should maintain 'restrain' and not expect the great increase of exportation after the abolishment of quota.

Cao Xinyu, the vice president of China Chamber of Commerce for Import & Export of Textiles said to the reporter that there would be a blowout of textile products after the expiration of the agreement and the chamber of commerce would try to avoid its occurrence. He revealed that new policy would be brought into light no later than September this year. Sources said, some European textile associations made it clear that they expected the restriction on the quantity of Chinese textile products.

Two corporations have won the first antidumping case

DATE: 2007/04/17

From Zhejiang Ningbo government, the reporter learned, it has publicized the result on the first antidumping case about China and American textile at wee hours of Apr.12, the Commerce Ministry of American made the last arbitrament, the Ningbo Xici Jingnan Chemical Fiber enterprise acquired zero rate, Ningbo Dafa Chemical Fiber enterprise acquired countervailing duty.

On July.13 2006, American declared, they formally investigated the antidumping case of polyester staple fiber produced by China, and the involved amount of this case amounted nearly 30 million dollars. The Ningbo Xici Jingnan Chemical Fiber enterprise and Ningbo Dafa Chemical Fiber enterprise were two main involved corporations, whose involved amount were 14 million dollars and 9 million dollars respectively. This was the first big antidumping case after China entering into the WTO.

Export tax rebate cut talk hurts expo

DATE: 2007/04/20

Talk of tax rebate cuts on textile and garment exports has cast a shadow on the ongoing 101st China Import and Export Fair (Canton Fair). The market has been abuzz with rumour that the government is set to lower tax rebates on textile and garment exports by 2 to 4 percentage points, meaning the rebates will be reduced to about 9 percent.

Although the new tax policy has not yet been announced, domestic textile and garment manufacturers have already increased their prices by 5 to 10 percent in the ongoing expo that opened on Sunday, in preparation for the rate cut. International buyers go on a spending spree during the Canton Fair, which provides Chinese exporters an opportunity to grab big deals for the whole year.

Exporters have factored in 4 percentage points for the possible reduction in export tax rebate, 2 percentage points for a renminbi appreciation this year and a few more percentage points for increases in labor costs, said Wang Yongli, deputy manager with Guangdong-based Silique. He predicted the new policy will be announced "sooner or later" and said he expected the government to allow exporters a couple of months to adjust to the cost increase.

"In the first several days of this session of the Canton Fair, we have seen the number of potential buyers decline," said Zheng Fengmei, an official with Mailyard I/E Trade Co. The company in Central China's Hubei Province achieved exports of \$360 million last year. "We have to explain the conditions to every buyer before asking for higher prices, but not all of them accept the rationale," he said. At times, the company has had to share the cost increase with the buyers, he added.

The possible tax rebate cut, a move to rein in exports of labor-intensive products, is expected to further squeeze the profit margin of Chinese manufacturers, who have already suffered from the 5-percent rise of the renminbi in July 2005. To cope with the rate cut, Zheng said, the company is trying to find "high-quality" customers from North Europe and Japan who can absorb the price rise.

Source: China Textile Network Company

It is also gradually giving up low-value-added garments and moving to products with higher profits, focusing on development of self-owned brands in the international market. Some industry insiders argue the proposed rate cut is too steep for small textile manufacturers and may force some of them out of the market.

Source: China Daily

Canton Fair: The Deal Making in Textile and Clothing is Getting Better

DATE: 2007/04/20

Two days before the opening, the business volume accomplished in the textile hall totally reached 0.976 billion USD, which was increase by 3.7% than that of last year and increased by 21.2% than that of last year and accounted for 21% of the total business volume accomplished in the fair. The European Union and America were still the biggest markets for making deals and the business volume accomplished in the two markets totally reached 0.51 billion USD, accounting for more than half of the total business volume. Middle East, Japan and China Hongkong are listed after them.

The high increase of business volume from American market has been maintained for sessions and 34% increase has been realized. The business volume from European Union market decreased a little by 4.6% and the business volume from ASEAN, Australia and Russia increased the fastest by 111%, 74% and 47%. The business volume accomplished in textile and clothing was generally the same and respectively accounted for 45% and 50% of the total business volume. The main bargains were knitting and tating garments and home textiles. The increase of business volume accomplished in textile as a whole surpassed in clothing by the increase of 7.5%, increased 52% than in the same period in last year. The business volume accomplished in clothing was increased by 0.8%, increased 4.2% than in the same period in last year. The business volume of the cotton terylene grey fabric and the woolen cloth in the textile as well as the blanket in the home textile field was increased more than double. The knitting garment in clothing was increased by 7.9% and the tating garment and clothing accessories all decreased to different extent.

Cotton Demand May Reach 11mn Tons This Year

DATE: 2007/04/20

Cotton output in 2006 reached an all-time high of 6.73 million tons. Abundant supply has decreased cotton imports. Textile production in 2007 is expected to remain at a steady growth. Yarn output in March 2007 rose, sharply. Cotton demand is likely to reach 11 million tons, this year.

However, affected by a number of adverse factors, the growth rate of China's textile and apparel exports will slow down. The state will release additional import quotas soon in a balanced pace depending on the market situation and cotton demand of enterprises. According to the statistics from China Cotton Association, as of the end of March this year, cotton procurement progress of 2007 already reached 95 percent. Cotton acreage in 2007 is estimated at 81.50 million mu (one hectare = 15 mu), up 520,000 mu over last year, an increase of 0.64 percent.

Source: China Textile Network Company

Source: Fibre2fashion

Apparel Output Increases 18 Percent in January-February

DATE: 2007/04/19

China's total apparel production during the January through February 2007 time period reached 2.665 billion pieces, which represented a very strong 18.0 percent increase from year-ago levels. This growth was led by a surge in knit apparel production and a rebound in the children's apparel sector. Knit apparel production increased 28.8 percent to 1.433 billion pieces, while woven apparel output only grew at a 7.5 percent rate, reaching 1.216 billion pieces. The children's apparel sector, which experienced a substantial downturn in 2006 output, posted a 19.1 percent rebound, with production at 55.9 million pieces.

The pace of growth in both domestic apparel retail sales and exports exceeded the growth rate in production, which should have left manufacturers with low inventories. The ability of exporters and domestic producers to raise prices has also helped the sector.

Source:globecotnews

The priced quotations of Southwest textile market behave stable

DATE: 2007/04/18

This week (Apr. 9, 2007 - Apr. 13, 2007), the generalized reflection of distribution of yarn, cloth of Southwest textile market and the quotations behave stable. Because the price of Terylene short fibre is continuously rising recently, the prices of cotton yarn, cloth present the rising tendency, however, OE10, OE7, OE21 and OE16 decreased by 100-200 yuan, while the quoted price of pure cotton cloth presents highs and lows. According to textile corporations, the representation of recent market quotations is the best since the beginning of this year. For the near future, it is difficult to anticipate, generally anticipating the market quotations of spring bargain fair. About the material, the textile corporations all hold the attitude of balanced purchase.

In recent days, the market quotations of cotton in the region of Chuan, Yu still behave stable, and the price is same as one of the previous week. The main price of cotton pattern polyester staple fiber in the aggregate market of chemical fiber in Yizheng is 11400-11450 yuan/ton, and the market price of polyester chip(the extinction long yarn filament class) is 10500-10600 yuan/ton. In this week, the price of cotton pattern polyester staple fiber in Southwest textile market is 11300-11500 yuan/ton.

January-February 2007 Textile FAI Reaches 18.05 Billion Yuan

DATE: 2007/04/16

China's fixed asset investment in textiles for January through February 2007 totaled 18.051 billion yuan, which compares to 12.274 billion during the same period the previous year. This growth is phenomenal considering that fixed asset investment in the sector reached 202.970 billion yuan in 2006, according to data provided by the China Textile Economic Information Center. The expansion in 2007 is again heavily focused in Jiangsu, but by a much larger margin than a year ago. Shandong has drawn the second largest investment with Zhejiang taking the third largest amount.

Source: globecotnews

Cotton Yarn Prices Hold Steady

DATE: 2007/04/16

China's domestic cotton yarn prices are continuing to hold relatively steady with little significant volatility. The price in the eastern markets for 32s-count, 100 percent cotton yarns has averaged the equivalent of 108.50 to 108.70 U.S. cents per pound over the past 30 days. This is slightly firmer than the average price of 107.50 to 107.75 U.S. cents per pound that prevailed in January. Domestic cotton prices have also been stable over the past 30 days as well.

Source: globecotnews