

EXTRACT
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Quarterly Textile Production Statistic 1st Quarter 2007

DATE: 2007/04/25

According to Statistics Center of CNTAC, in the first quarter 2007, the overall index of industrial production went up steadily. The indices are given separately for the five sectors, namely chemical fiber, yarn, cloth, nonwoven textiles and garment. It is to be noted that, due to incomplete data, indices for the first quarter 2007 are provisional and published at sector level only. They are therefore subject to revision in future issues of the indicator.

In the first quarter 2007, chemical fiber production reached 5.3739 million tons, up 16.88 percent from the corresponding quarter of 2006; Yarn production reached 4.1712 million tons, up 21.59 percent; Cloth production reached 10.533 billion metres, up 8.14 percent; Nonwoven textiles production reached 0.1221 million tons, up 21.00 percent; And garment production reached 4.084 billion pieces, up 20.52 percent.

1st quarter textile production statistic by province is as follow:

Chemical fiber		
Province	Production in 1st Quarter 2007 (tons)	Change from 1st Quarter 2006 (%)
Zhejiang	2,232,501	+26.36%
Jiangsu	1,716,684	+12.65
Fujian	269,105	+14.79
Shandong	215,076	+3.99
Shanghai	126,948	+6.68

Yarn		
Province	Production in 1st Quarter 2007 (tons)	Change from 1st Quarter 2006 (%)
Shandong	1,164,787	+24.33
Jiangsu	868,347	+22.00
Henan	444,847	+32.11
Zhejiang	289,085	+19.28
Hubei	266,021	+13.59

Cloth		
Province	Production in 1st Quarter 2007 (million meters)	Change from 1st Quarter 2006 (%)
Shandong	2530.93	+3.14
Zhejiang	2361.56	+13.91
Jiangsu	1685.67	+17.60
Hebei	696.00	+17.08
Guangdong	622.73	+5.48

Nonwoven textiles		
Province	Production in 1st Quarter 2007 (tons)	Change from 1st Quarter 2006 (%)
Zhejiang	28,570	+20.05
Fujian	13,919	+12.33
Jiangsu	13,895	+47.55
Henan	12,944	+1152.44
Shandong	12,177	+35.88

Garment		
Province	Production in 1st Quarter 2007 (million pieces)	Change from 1st Quarter 2006 (%)
Guangdong	1043.45	+10.67
Zhejiang	833.73	+31.97
Jiangsu	734.46	+20.21
Shandong	459.65	+13.39
Fujian	288.45	+79.47

U.S.- China Textile accord "Functioning Well": U.S. Trade Official

DATE: 2007/04/25

A U.S. trade official on Wednesday hailed the U.S.-China textile trade agreement as instrumental in reducing trade friction. "Both countries believe the textile agreement from two years ago is functioning well," David Spooner, Assistant Secretary of Commerce, told reporters at the end of his two-day China visit.

The United States and China signed a three-year agreement on textile trade on Nov. 8, 2005. It imposed quotas on Chinese textile products, but cleared a major obstacle to bilateral trade. "I think the agreement has done a good job of providing predictability, stabilizing trade, and reducing friction," Spooner said. The United States is the largest importer of China's textile and clothing products.

According to the China Chamber of Commerce for Import and Export of Textiles (CCCT), China's direct textiles and attire exports to the United States reached 21.9 billion U.S. dollars in 2006, making up 15.24 percent of the United States market, a drop of 1.42 percentage points from the previous year. During his two-day stay in Beijing, Spooner met with senior officials of the Chinese Commerce Department.

The U.S. Commerce Department on March 30 announced its preliminary decision to impose anti-subsidy tariffs ranging from 10.9 percent to 20.4 percent on coated free sheet paper from China. Some people feared that the United States may extend impose penalty tariffs on more imports from China. Spooner was the first U.S. trade official to visit China after the U.S. imposed the tariffs. "China is allocating quotas in a transparent way, so I think, (it is) to the benefit and satisfaction of the exporters in China", he said.

"We obviously haven't seen additional attempts from U.S. textile makers to amend the agreement or to file additional safeguards," he said. The U.S. government filed a complaint with the WTO in early February, alleging that China was using export subsidies to help its companies, including those in the clothing sector, to compete in world markets.

Source: Xinhua

China Boom: What Does It Mean for Textile/Apparel Offtake?

DATE: 2007/04/25

Part One - Home Ownership and Its Impact

Few people realize that 22 years have passed since the Chinese government began to allow urban citizens to buy their state-owned flats. Today, China has one of the highest rates of home ownership in the world, and this will likely expand under the new property laws passed by the National People's Congress earlier this year. In urban areas, home ownership has reached up to 80 percent, which actually surpasses the U.S. average of 69 percent.

The expansion of home ownership has changed the Chinese people's way of life, spending habits and the country's economy. Nowhere has the impact been greater than in the domestic offtake of home textiles and furnishings, with private estimates placing the value of this market at 45 to 50 billion U.S. dollars and growing. The growth of this market has kept most Chinese home textile manufacturers concentrating on the domestic market instead of export. The continued expansion in the construction of new apartment complexes in a wider block of cities is keeping growth rates at phenomenal levels. The dilapidated apartment blocks of old are being rapidly replaced, even in the smaller cities.

Home ownership also appears to be part of the new emerging middle class strategy to modernize

Source: China Textile Network Company

their lives. This includes purchases of additional branded apparel items, with the domestic market for textiles and apparel sales, collectively, doubling every four years at a pace unequaled before.

The market growth for home textiles could also mean that China could become an importer of home textiles if there is any significant slowdown in the country's expansion of textile manufacturing. Fixed asset investment in China's textile sector has been growing at a record pace since 2003, but this rate of growth is likely to slow in late 2007 if the government's efforts are successful at reining in the excessive bank lending. This could mean that China would become a major new market for Bangladesh, Pakistan and Indian exporters of home textiles over the next five to six years.

Source: globecotnews

Government Plans to Continue Policy Adjustments

DATE: 2007/04/24

Recently, Chinese Government revealed that it would increase structure adjustments in future, particularly in textile trade segment and export rebate rate policies. The main reason for this is to decrease energy consumption by China, which reduced by 1.23 percent in last year. However, this year, it will be very difficult to cut down energy utilization by 2-3 percent, especially since Chinese GDP growth mainly depends on some industries which need to consume loads of energy. So Administrators hope that further adjustments in export rebate rate may not only decrease favorable balance of trade, but also result in good development of the national economy.

Source: Fibre2fashion

Report: The Status Quo Analysis of the Textile Industry in Southwest China

DATE: 2007/04/26

With the implementation of the Western Development as well as the promotion of the central regions' development, the gradient transference of textile industry from eastern and coastal regions to central and western regions has become the trend of the times. Based on the current condition of the development of textile industry in southwest regions, this article probes into the development potentiality of textile industry in southwest regions.

Supposing regions are divided based on social economy, southwest regions of China cover 5 provinces and regions including Chongqing, Sichuan, Guizhou, Yunnan and Tibet - which is the comparatively underdeveloped western area in three main areas in China.

The Textile Industry in Southwest Regions is with Small Scale

The scale of textile industry in southwest regions takes up a comparatively small proportion in all industries. Comparing the data of 2006 with Zhejiang Province, which is with powerful textile industry, the number ratio of companies in textile is 1/15; the ratio of sales is 1/15 and the ratio of exportation value is 1/28, which shows a huge gap. The textile industry is mainly concentrated in Sichuan, Chongqing and Yunnan. In 2006, the number of companies, sales and exportation value are respectively 94.9%, 98.3% and 99.9%. The exportation percentage is less than 19%, 11percent

Source: China Textile Network Company

lower than the exportation percentage of all industries.

The Textile Industry in Chongqing is with Fast Development

As the megalopolis with largest investment potentiality in western China, Chongqing has many advantages including superior geographic location, solid industrial foundation, well equipped infrastructure, strong scientific, technological and educational force, comparatively abundant human resources, huge market potentiality and etc.

The textile industry in Chongqing is with a very fast development. Three material bases of agricultural industrialization have been established based on bamboo, ramie and pod. The ideas of “high-quality fabric and accessories market”, “western cotton trading market” and “western synusiologic textile products market” have been put on the agenda. With the implementation of the establishment of four textile bases by the Cha Textiles Group from Hongkong in Chongqing, the development of textile industry in Chongqing has been accelerated and concentrated effect has been showed.

The Textile Industry in Sichuan laid a solid foundation

Sichuan is with abundant textile resources and comparatively strong textile industrial foundation. The total number of companies in textile and apparel in the province is about 4000 to 5000, and the number of sized companies is more than 370 with over 0.3million staffs and over 3 million rural laborers providing natural faric materials such as silkworms, cotton, hemp for textile industry. The indexes such as the investment in fixed assets, the value of gross output and added value, sales, foreign exchange earned from exportation and etc. are all listed at the first place in western regions.

The Textile Industry in Yunnan is with Unique geographic Advantages

At present, the issue of the trade brush in textile between China and Europe and USA makes the domestic textile companies attach great importance on ASEAN market with huge potentiality. The geographic superiority of Yunnan facing ASEAN and the resources superiority in silk and flax have provided opportunities for the development of textile industry in Yunnan.

China most attractive investment environment for development and research

DATE: 2007/04/26

Adrian Otten, Director of the Intellectual Property Division of the WTO Secretariat, announced at the 2007 China Intellectual Property Rights Protection Summit Forum on April 24 that China has become the most attractive investment environment for research and development, followed by the United States and India.

Statistics from the State Intellectual Property Office show that of the 476,000 patent applications in 2005, 80% came from domestic companies. More than 50% of patent applications for inventions came from domestic organizations. Otten said that only a few countries have reached such a level. In recent years, transnational companies have been expanding and upgrading the scale and level of research and development as the Chinese economy grows and the investment environment is improved.

A survey of 209 transnational corporations in the United States shows that China is transnational corporations' first choice for an overseas base. China and India have become hot spots for research

Source: China Textile Network Company

and development because of the potential of the huge local market, improvements in the investment environment and the availability of a large number of well-educated researchers.

Since China joined the WTO, an increasing number of transnational corporations have built research and development centers in China. Between June 2003 and June 2004, more than 200 foreign research and development centers were established in China. At the end of 2004, there were 750 foreign research and development centers. Now almost every transnational corporation has established a local research and development center in China.

Source: Xinhua news

RMB appreciation calls for companies' strategic change

DATE: 2007/04/24

On April 16th, the average price of exchange rate between US dollar and RMB is 7.7220 Yuan, which means the RMB appreciation has exceeded 5% after the reform of exchange rate for the first time. In the short four months since entering 2007, the new highest record of the average price of RMB exchange rate has been broken for 23 times and 5 times only in April.

Textile industry feels an ache

On April 18th, Ji Zhujun, director of trade development department of bureau of commerce in Hunan province expressed that the appreciation of RMB had already affected lots of industries in Hunan province including textile industry, light industry, steel industry and etc., especially “the low-profit textile industry and light industry”. “Above 5 percent appreciation of RMB means our loss of 0.35 Yuan per 1 US dollar achieved by exportation.” said very frankly Yu Zhicheng, general manager of Hunan Textile Import & Export Company. From last year, the Textile Import & Export Company has been confronted huge pressure for living.

“It is very difficult for us to maintain the available share of the market” introduced Yu Zhicheng, at present, the exports of the Textile Import & Export Company has decreased by 20%. In the first quarter of this year, the company has accomplished exports of 16 million US dollars, over 2 million US dollars less than accomplished in the same period of last year. According to the analysis by Yu Zhicheng, textile product itself is a low-profit industry, in addition, Hunan province is a central province in China with the textile exportation cost 2% higher than in the costal regions’ and textile product is confronted with less space for living and development under the pressure of RMB appreciation.

An analyst expressed that the appreciation of RMB was to make the powerful momentum of exportation in light and electromechanical fields frustrated in our country. Ji Zhujun also confirmed that besides textile product, steel the commodity exported in quantity traditionally would also experience some shock. However, comparatively speaking, steel industry is better than textile industry cause “there is still some profit”. However, Ji Zhujun considered companies “do not need to be frightened by the appreciation of RMB”. Speaking in the positive view, RMB was to greatly accelerate the adjustment of exportation structure in Hunan province as well as the brand development. Yu Zhicheng also expressed that, at present, the Textile Import & Export Company was trying its best to improve brand value, control the cost and expand the share of domestic market aiming at realizing the sustainable development of the enterprise.

Source: China Textile Network Company

First ITMA ASIA + CITME Draw Enthusiastic Response

DATE: 2007/04/26

The first combined ITMA ASIA + CITME exhibition has drawn enthusiastic response from the world's leading textile machinery makers. Applications for booth space have been streaming in as the deadline draws near. Miss Maria Avery, Secretary-General of CEMATEX, The European Committee of Textile Machinery Manufacturers, reported, "Our national associations have been receiving exceptionally good response from their members, who are all very supportive of our launch event in China. It is a very important market for them and they are enthusiastic about the country's potential."

"Hence, they are concentrating all their marketing efforts into this one show and we are receiving applications for very large booths. This augurs well for the event, and we believe we shall sell out the remaining space very quickly." Chinese textile machinery manufacturers are also making their presence felt in a big way at the first combined show. Mr Wang Shutian, Vice President and General Secretary of the China Textile Machinery Association commented, "We are very excited to kick-off the combined show in Shanghai, and all the major Chinese manufacturers will be participating in this groundbreaking exhibition. It will be the most successful international textile machinery exhibition China has ever hosted."

Most of the leading industry names from the world's major textile machinery manufacturing hubs have already signed up for the exhibition, boosted by the positive demand for modern equipment from Chinese and other Asian textile makers. Till now, China's textile industry has surpassed one-third of the entire world textile production capacity. According to the China Textile Machinery Association, the value of imported textile machinery surpassed US\$4 billion in 2006 - an increase of 19 percent over the previous year's total.

In view of these buoyant market opportunities, textile machinery manufacturers are leveraging on the established branding of ITMA, ITMA ASIA and CITME to market their latest products. A quality showcase of cutting-edge solutions and live machinery demonstrations, the combined show features strict admission criteria that allows the participation of only bona fide manufacturers. To be held at the Shanghai New International Expo Centre from 27 to 31 July 2008, the exhibition is expected to span 100,000 square metres. It is projected to attract over 1,000 Chinese and international exhibitors, and about 100,000 trade visitors.

ITMA ASIA + CITME 2008 has received unprecedented support from the world's major textile machinery associations. These include:

- American Textile Machinery Association (ATMA)
- China Textile Machinery Association (CTMA)
- CEMATEX, the European Committee of Textile Machinery Manufacturers, which comprises ACIMIT (Italy), AMTEX (Spain), BTMA (UK), GTM (Netherlands), Swissmem (Switzerland), Symatex (Belgium), TMAS (Sweden), UCMTF (France) and VDMA (Germany)
- Japan Textile Machinery Association (JTMA)
- Korea Textile Machinery Association (KOTMA)
- Taiwan Association of Machinery Industry (TAMI)

These associations have also pledged that the combined show will be the only exhibition in China that they will fully support in the future, according to the show owners, CEMATEX (the European Committee of Textile Machinery Manufacturers), CTMA (China Textile Machinery Association), CCPIT-Tex (the Sub Council of Textile Industry, China Council for the Promotion of International Trade) and CIEC (China Exhibition Centre Group Corporation).

Source: Comité Européen des Constructeurs de Machines Textiles

Hongdou Has Become the First Company Assuming the Overall Social Responsibility

DATE: 2007/04/25

On April 17th, China National Textile And Apparel Council, together with Hongdou Group hold the Sino Textile Round Table . Social Responsibility Forum in Wuxi with the subject of “company’s social responsibility: practice, experience and challenge”. The leaders from China National Textile And Apparel Council including Du Yuzhou the president of China National Textile And Apparel Council, Jia Yanmin, the chairman of Executive Council of All China Federation of Trade Unions and China Finance and Trade, Light and Textile & Tobacco Federation of Trade Unions and etc. and leaders from provincial government and municipal government were present in the forum. During the forum, the leader of China National Textile And Apparel Council declared that Hongdou has become “the first company assuming the overall social responsibility in Chinese textile industry”.

In May 2005, China National Textile And Apparel Council formally issued China Social Compliance 9000 For Textile & Apparel Industry (CSC9000T) and it is the first time the social responsibility norms are carried forth in industrial circle in China. CSC9000T system covers ten element required to be examined and evaluated including management system, employment contract, working hours, wages and welfare, trade unions and collective bargaining, occupational health and safety and etc.

Responsible Supply Chain Association (shortened as RSCA) is responsible for the popularization and the implementation of CSC9000T social responsibility management system. Hongdou Group has been chosen as one of the first pilot units for implementation of CSC9000T as well as the first unit evaluated by evaluation team. After the pass of initial evaluation on May 26th 2006, Hongdou past the follow-up evaluation on April 9-10th this year and finally became the first company passing the CSC9000T authentication in China.

Hongdou can never pass CSC9000T without its long time period of efforts. One third of employees of Hongdou Group are migrant workers, for giving full play to the initiative of employees, firstly, Hongdou keeps optimizing the employment system, initiates the positive working environment and opens more channels for communication between employees and high level of the company. Furthermore, based on the idea of educating people by knowledge, the company carries out post qualification training, corporation culture training, and legal education training to improve the employees’ comprehensive quality. At last, the company makes people stay by showing care for them and provides the casual and comfortable living environment for them. Hongdou provides very good welfare for migrant workers as well as organizes cars to send the migrant workers to home and back company for free every year.

Domestic Polyester Prices Further Advance

DATE: 2007/04/25

Last week, strong local demand pushed the average price of polyester staple fiber to yet another yearly high for 2007. The average price of polyester staple reached 11,580 yuan per ton or approximately 67.95 U.S. cents per pound. This price represented a 550 yuan per ton gain from the previous week when prices averaged 11,030 yuan per ton or the equivalent of 65.04 U.S. cents per pound. Prices have now rallied extensively off the 2007 low of the equivalent of 61.77 U.S. cents per pound.

Source: globecotnews

March Cotton Fabric Output Reaches 2.299 Billion Square Meters

DATE: 2007/04/24

China's monthly output of cotton fabric showed sizable growth in March, rebounding to 2.299 billion square meters. This represented a major recovery of 46 percent from February and reflected a 15.35 percent year-on-year increase. This data suggests that February's sharp downturn in output to 1.573 billion square meters was due to seasonal influences. Monthly cotton fabric output has now exceeded 2 billion square meters in six out of the past seven months. September 2006 through March 2007 cumulative fabric output has reached 14.264 billion square meters, reflecting 13.96 percent year-on-year growth.

Source: globecotnews

Whopping Deals with US Foreseen

DATE: 2007/04/24

During the second Sino-US strategic economic dialogue in May, China is likely to sign import deals with the US, worth around \$12 billion. The proposed procurement delegation is to be led by Vice-Minister of Commerce Ma Xiuhong, will visit Atlanta, Chicago, San Francisco and Washington. A wide range of agricultural and industrial products, from soybean and cotton manufacturing machinery to electronic products are likely to be procured from US. Chinese enterprises last year signed about \$16 billion in import deals with their US counterparts. According to US data, these deals are the part of Chinese government's efforts to cut its huge trade surplus with the United States, which was more than 230 billion dollars in 2006.

Source: Fibre2fashion

Canton Fair sees textile & garment deals rise to US\$ 0.976 billion

DATE: 2007/04/23

The 101st session of the Chinese Export Commodities Fair (CECF), also known as the Canton Fair, opened in south China's Guangdong Province on Apr. 15 with an estimated 0.967 billion U.S. dollars in textile and garment deals before the opening ceremony, 3.7% up from last session, and 21.2 percent up from last year's spring session, accounting for 21% of the total contract value.

Sponsored by the Ministry of Commerce of China and People's Government of Guangdong Province, and organized by China Foreign Trade Centre, Canton Fair is held twice a year in Spring and Autumn since it was inaugurated in the Spring of 1957. It is China's largest trade fair of the highest level, of the most complete varieties and of the largest attendance and business turnover. Last year, more than 190,000 buyers from around the world signed deals worth 34 billion U.S. dollars, said Xu Bing, deputy secretary general of the fair.

The exhibition pattern remains as in two phases and at two complexes. The 12-day fair is divided into two phases, the first from April 15th to 20th, 2007, and the second from April 25th to 30th. Deals on textile were 7.5 percent up from last session, and 52 percent up from last year's spring session. Deals on garment were 0.8 percent up from last session, and 4.2 percent up from last year's spring session. Knitting garments sees rise 7.9% while woven garments and accessories have been decreased.

EU and American buyers struck the largest sum of deals at 0.51 billion U.S. dollars, followed by buyers from Middle East, Japan and China Hongkong. The volume of contracts from US has climbed 34 percent while the number from EU has decreased 4.6 percent. Deals from East Asia, Australia and Russia rose 11%, 74% and 47% respectively, the fastest pace in this session.

Private businesses contributed to 28 percent of the total contract value. Deals from state-owned enterprises accounted for 37 percent of the total and those from foreign-funded firms and manufacturer contributed to 43% and 43% respectively. Besides, The Canton Fair has always attached great importance to the protection of IPR. In the 85th session in 1999, it set up the Complaint Reception Station of IPR Protection to receive complaints concerning IPR infringement. A set of complete IPR protection system, applicable to the actual situations of fair, is established after years of practice.