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China's garment industry will be bidding farewell to the era of quantity competition

DATE: 2007/05/15

Statistics of large-scale retail enterprises in China last year shows that clothing sales volume dropped 6.37% compared to the same period in 2005. However, sales price increased by 3.12% compared to the same period of the previous year.

"The phenomena shows that the era of quantity competition in our garment industry is drawing to a close, however, a new era of competition based on brand, value and innovation as the core has been launched." such a conclusion was made by Jiang Hengjie, executive vice president of the China Garment Association in his '2006-2007 China Garment Industry Development Report'.

April Yarn Output Up 18 Percent Year-on-Year

DATE: 2007/05/18

China's yarn output continued its surge in April, posting a total of 1.61 million tons, an 18 percent year-on-year gain, as well as a 1.2 percent increase from March. New capacity and swelling fixed asset investment were cited as the major reasons for the rapid production pace of 2007. For the Chinese marketing year, September 2006 till August 2007, cumulative yarn output has reached 12.182 million tons, which is up 19.07% year on year. For the U.S. marketing year, August 2006 till July 2007, cumulative output has reached 13.75 million tons, which is about a 22 percent gain versus a year ago. Regardless of the marketing year used, China is easily on track to produce more than 18 million tons of yarn.

Source: China Textile Network Company

Source: globecotnews

China's T-shirt Exports in First Quarter 2007

DATE: 2007/05/08

China's cotton T-shirt exports rebounded on quota markets in the first quarter this year with prices clearly declining. Unit values however remained far above their level in 2005, as reflected by our series of statistical tables. Sales soared to countries that did not reimpose limits. Overall sales slowed down over the first quarter, mainly due to lower demand from Japan.

China's exports of cotton T-shirts began slowing down in the first quarter this year although shipments to the European Union and the United States rebounded. Exports rose 11% in value terms at US\$1.25 billion after increasing 25% in the same period last year. Shipments were up 6% in volume terms after rising 21% in the first quarter of 2006.

Poor sales to Asia

The weak result was mainly due to poorer sales to Japan, by far the most important destination of Chinese T-shirts. Exports to Japan declined nearly 10% to US\$300 million, from a 7% increase in the first quarter of 2006. Sales to Korea and Australia were also depressed at the start of 2007.

By contrast, shipments to so-called quota countries are rebounding this year. Exports to the US market surged 211% to US\$92 million after falling 65% in the first quarter 2006. Since Chinese T-shirts arriving at US ports were still under embargo in January 2006, year-on-year comparisons may be confusing. There was a strong rise in shipments, nevertheless.

Strong sales to Europe

The same jump may be observed with shipments to the European Union. Exports to Germany more than doubled in the first quarter to US\$36 million, even rising 180% in volume terms. Shipments to the UK and Italy rose 37% and 22% respectively, from a sharp decline in the same period of 2006. Not surprisingly, the jump in direct sales to Europe and the United States depressed shipments through Hong Kong that no more rose over the period. Although rebounding, exports to quota countries remained below their level two years ago, when quantitative restrictions had just been eliminated on imports from China.

By contrast, China's exports to countries which did not reapply quotas -or never imposed limits- reached much higher levels. Sales to Switzerland jumped by five times in only two years while shipments to Canada were up nearly 300%. Morocco is also becoming a significant market for Chinese T-Shirts with sales surging more than four times in two years.

Lower price levels?

Unit prices were overall stable in the first quarter. T-shirt prices fell to quota countries, however remaining far above their level two years ago. Unit prices of T-shirts shipped to the US market were still up 59% from the first quarter of 2005. Prices were still up 44% on the German market from the same period although dropping by 25% from last year.

Source: emergentextiles

Source: China Textile Network Company

Invista Company subscribed the investments intent-letter in Shanghai

DATE: 2007/05/18

The American Invista company subscribed the intent-letter of investment and land-use right with the Shanghai Chemical Industrial District on 9th, May, 2007. It would build large-scaled factories in the Shanghai Chemical Industrial District to satisfy the needs of Asian areas for the Nylon polymer. The letter was its practical step since the American Invista company declared in last year that it would set up the most advanced production equipments in Asia to satisfy the continuously increasing demands for the AND, HMD, nylon 66 polymer and other special chemical intermediates in these Asian markets.

Export of the unqualified children garments was prohibited

DATE: 2007/05/18

Recently, the Shunde Inspection and Quarantine Bureau have inspected out that the color fastness of a batch of cotton girl skirts (for the children of 6 years old) which will export to Australia is under the standard requirements, judging to be disqualified. This was the first time for the Shunde city to inspect out that the exported child clothing color fastness disqualified.

In the checking process, the Shunde Inspection and Quarantine Bureau found that this group of products had 2-3rd grade of color fastness, but the B type of this kind of clothing with direct contact to skin must be not more than 2nd grade according to the regulations of our country.

Four initiatives by the Ministry of Commerce aimed to facilitate import

DATE: 2007/05/17

On May 14, 2007, Wang Showmen, Director of the Department of Foreign Trade of the Ministry expressed that expansion of import is a key measure to balance import and export. In 2007, the Ministry of Commerce will take the following specific measures to facilitate import:

1. Actively make a full play of CANTON fair; a facilitator for import and export functions. In 2007, the 101st CANTON fair first increased the contents of import exhibition, altogether attracted 314 exhibitors from 36 countries (regions) participating in GTF.
2. Research in encouraging import credit policy. Meanwhile, taking into account the application of economic measures such as tariff regulation, focusing on encouraging the expansion of importing the following items: key parts of important equipment, advanced technology and equipment, and merchandises of important resources.
3. Strengthen publicity to encourage enterprises to expand import by taking advantage of bilateral preferential trading arrangements. Currently, China has signed a number of agreements, such as "Bangkok Agreement", "China and Pakistan Preferential Trade Arrangements", "China and ASEAN

Source: China Textile Network Company

Comprehensive Economic Cooperation Framework Agreement", etc. It is suggested that enterprises at large actively expand import by availing themselves of the preferential trade arrangements stipulated in these agreements. In addition, China has implemented zero tariff treatment for 442 categories of goods from 34 most undeveloped countries; enterprises should take advantage of the policy and actively expand their import from these countries.

4. To accelerate and improve import facilitation. Since 2007, our country has already canceled automatic-import-licensing administration for 851 commodities. The next step will be providing more convenience for enterprises in quality inspection, customs declaration, and other sectors.

Progress in Constructing Social Responsibility (CSC9000T) in the Textile Industry

DATE: 2007/05/17

China's Textile Industry has been fully-conducting social-responsibility construction, and has achieved preliminary success.

(1) To promote transformation of enterprise-management concept. By way of related CSC9000T training program, publicity and communication, more and more textile enterprises have realized the importance of enterprises' social responsibility, have changed former passive experience in coping with plant check-up and the pursuit of short-term gains, have turned to take proactive measures so as to improve internal management, hence, long-term sustainable development can be realized. j j j j

(2) Sound effects from both domestically and internationally, hence, image of the industry has been improved. Building social responsibility at the international level have had a positive impact, as a result, textile industry has won approval and support from international retailers, brands business people, related international organizations, even from foreign government agencies; within the industry has established a wide range of cooperation and communication channels. For example, collaborative research and international exchanges have been conducted with European Union (EU), United Nations Industrial Development Organization (UNIDO), International Labor Organization (ILO), the government of the Netherlands, and other international organizations and government departments on the issue of social responsibility; and cooperation with the international brand companies, transnational procurement companies have also been underway; these developments are conducive to improving international image of China's textile industry's.

(3) To improve enterprises' management level and core competitiveness. CSC9000T management systems in key enterprises on a trial basis have played a significant role in upgrading participating enterprises' management and their core competitive edge.

(4) To increase enterprises' labor productivity and operating efficiency. Because of implementation of CSC9000T, more harmonious labor relations have been established, more comfortable working environment has been maintained, working efficiency has been improved, spirit of innovation has been stimulated, and thus, greater economic benefits have been brought forth

(5) Expert giving positive evaluation. On April 13, 2007 in Beijing was held China Textile Enterprises' social Responsibility Management System CSC9000T Project Assessment. Review Committee organized by State Development and Reform Commission, Ministry of Commerce, Ministry of Labor, and other units unanimously agreed that: Chinese Textile Enterprises' Social Responsibility

Source: China Textile Network Company

Management System CSC9000T is the first domestic manufacturing enterprises' management system based on sound enterprises' social responsibility with comprehensive and systematic contents, and with a characteristic such as highly workable; the system is different from the common implementation of international procurement& production regulation supervision and third-party certification standards; by adopting PDCA management model and performance assessment, the system has characteristics such as sustainable and advanced.

China chemical fiber production and sales in March 2007

DATE: 2007/05/17

According to the data statistics of CWDA (China Weave Distribution Association), in March 2007, China's total production of chemical fiber reached 500,894 tons, up 9.88% from last month, down 3.04% compared to the same period last year. In March 2007, China's chemical fiber has seen a promising trend in sales with the sales volume up to 519,766 tons, and an increase of 24.01% compared the last month. But, compared to the same period last year, sales drop 3.31 percent in March 2007.

China's chemical fiber stock decreased dramatically in March 2007. It is down 13.79% from last month and down 14.98% compared to the same period last year. The sales rate in March was up 11.82% from last month and down 0.29% compared to the same period last year

China (Dalian) International Garment & Textile Fair to be held in August

DATE: 2007/05/17

2nd China (Dalian) International Garment & Textile Fair is to be held on August 28~31, 2007 in Dalian World Expo Square and Xinghai Exhibition Center. Dalian Expo, this year, will be highlighted in "brand" and "creativity", starting with elevating professional service and overall exhibition image, focusing on the establishment of a choice name-brand collection with the characteristics such as fashionable, novel, clear-themed, and outstanding specialty.

The exhibition will be divided into seven brand exhibiting pavilions: international-brand sector, domestic-brand sector, Dalian-brand sector, New-generation brand sector, Creative designers' sector, Textile sector, and equipment & apparel goods sector, among which international-brand sector is also divided into Japanese sector, South Korea sector, Hong Kong sector, Macao sector, and European sector. The exhibition sectors, apart from necessary brand exhibition and transactions, at the same time, activities of exhibition and display for brand development & sales and release will also be organized, interacting with exhibition event. In addition, the exhibition event will build 4,000 sqms of innovative designers' exhibiting pavilions and will invite and organize well-known foreign designers and R&D institutions to participate in the exhibition event where they can display their works and release fashion trends.

Cotton prices depressed by Chinese stocks

DATE: 2007/05/16

14 May 2007- US cotton futures again decreased in the past week in New York. An attempt to rebound Friday aborted when the US Department of Agriculture (USDA) dramatically raised its estimate for Chinese stocks for the current season. Bullish predictions for the coming season were totally ignored, as a result. Physical prices more resisted in the past week but may now follow New York.

Source: emergingtextiles

Apparel Retail Sales Surge 22.3 Percent in April

DATE: 2007/05/17

China has the largest population in the world; and that population, amid a booming economy and expanding disposable income, is shopping. The country's April retail sales totaled 667.3 billion yuan or 86.8 billion U.S. dollars, which represented 15.5 percent year-on-year growth and was up from 15.3 percent the previous year. Disposable incomes soared 19.5 percent in first quarter 2007 for urban residents. The retail spending growth is now evident in the rural areas, with April sales reaching 14.6 percent growth versus 16 percent in urban areas.

Chinese consumers are spending money on better dietary foods, new clothing and furniture for their homes. Furniture retail sales soared 53.3 percent in April, while apparel retail sales surged 22.3 percent. China's domestic offtake of apparel is now set to double in approximately three years.

Source: globecotnews

Garment exports increased 17.4% from January to April this year

DATE: 2007/05/15

According to the latest statistics released by China Customs, from January to April this year, China's import and export value reached USD 635.73 billion, increased 23.6% compared with the same period last year. Exports reached USD349.52 billion, and import reached USD286.21 billion. From January to April this year, exports of garments and accessories reached USD28.21 billion, with an increase of 17.4%; exports of textile, yarn, fabric and ready-made reached USD15.97 billion, with an increase of 10.5%.

Subsidy charge looms on textiles export

DATE: 2007/05/14

Chinese textile manufacturers, already victims of overseas dumping charges and safeguard measures, now face a potential U.S. countervailing investigation. The U.S. National Council of Textile Organizations (NCTO) is getting in touch with lawyers representing US paper enterprises,

Source: China Textile Network Company

which initiated the first countervailing case against Chinese products, to launch similar charges against "Made in China" garments, according to China Chamber of Commerce for Import and Export of Textiles (CCCT).

The U.S. Department of Commerce in March announced a preliminary countervailing duty on "Made in China" coated paper. With that, it contravened a two-decade rule of not applying the trade remedy to goods from so-called non-market economies, like China. "The U.S. industrial organization may not launch the case in the near future but it is likely to make the decision for the next step after the final ruling on the coated paper case," said an official with CCCT who declined to give her name.

U.S. industry or government might stir into action when the Sino-U.S. agreement on textile trade, which caps the growth of China's textile and garment exports to the United States, expires in 2008. The removal of quotas in global textile trade triggered in 2005 a surge in China's textile exports to the United States. The American government, which feared this might hurt its domestic industry, launched special safeguard measures on a few categories of Chinese textiles and garments. The two countries finally reached the agreement after months of negotiations.

"If the NCTO does file a complaint against Chinese garments at the US Department of Commerce, the investigation will affect a much larger scale of subsidies than in the coated paper case," said a CCCT official. CCCT noted the possible investigation on Chinese garment industry, which is mainly export-oriented, is likely to target export-promoting subsidies, policies and taxation. It may result in higher countervailing duties. In the paper case, the US mainly investigated the "favorable loans".

Some experts worry that other industries in China are also likely to face similar cases in the United States. "Within six months, we think a dozen or so new preliminary countervailing findings will be in place against Chinese firms," said Stephen Green, senior economist with Standard Chartered. Matthew McConkey, an expert from U.S.-based law firm DLA Piper, said a number of US firms are "watching and preparing". The U.S. flooring industry, for example, is likely to file a countervailing complaint against its Chinese rivals. He predicted there would be at least three to four similar cases from the United States this year and said the scale of the cases would also increase.

Source: China Daily

China's Aramid Fibre grows rapidly

DATE: 2007/05/14

Aramid Fibre developed in the sixties of the twenty century is one of important high performance synthetic fibres as well as the main kind of current organic stand fire fibers. Due to high cost of investment and the difficult techniques for the production of Aramid Fibre, for a long time, only a few countries such as USA and Japan master the know how. The technical skills of Aramid Fibre production are strictly kept secret, the products are considered as the important strategic materials and managed strictly thus to form the monopoly of technique and trade. China is imposed special limitation on price and supplies.

For years, China has committed itself to the nationalization, the large-scale development of techniques of aramid fibre production, however, due to restrictions of various elements, the breakthrough couldn't be made in respect of the key technique. In 2000, the production capacity of

Source: China Textile Network Company

only 30 tons per year in polymerization and 10 tons per year in filature could be reached. The demand on aramid fibre in China totally relied on import and restricted by others.

In recent years, China has attached great importance to the development of high performance fibres thus comes the trend of aramid fibre development and construction. Equipments have been already installed for the projects such as Sichuan Jinlu Group 1000 tons per year in aramid fibre ϕ , Hebei Silicon Valley Chemical Co., Ltd. 1000 tons per year in aramid fibres, Chengdu Golden Ant Special Paper Co., Ltd. 200 tons per year in aramid fibre paper.

In addition, the breakthrough has been made in the equipment manufacturing technology of aramid fibre polymerization in China. The technology is with the integrate proprietary intellectual property rights and totally applies for 10 national invention patents and has already authorized 5 of them and it will further optimize the techniques and equipments to make stable product quality and realize the 1000-2000 tons per year industrialized scale in earlier days.

It can be seen from this that the development of aramid fibre has entered into rapid growth period. The production capacity is just 10 tons per year in 2000, currently the production capacity has exceeded 5000 tons per year and by 2008, the production capacity is predicted to exceed 10,000 tons per year by reaching 11200 tons per year.