

EXTRACT**Content:**

- **China's Import of T&A USD 5.75 billion in Jan. - Apr. 2007**
- **Analysis of China terylene fiber production, sales and storage in March 2007**
- **Asian Economic Growth Continues Engine of World Growth**
- **Sino-German Seminar on IPR Is Held in Beijing and Tian Lipu Presides over**
- **Sino-European Textile Groups Pen CSR Pact**
- **China's Wool Exports Strongly Go Up in First Two Months**
- **Certain Polyester Staple Fibers from China Injures U.S. Industry, Says ITC**
- **Shishi clothings enter Paris**
- **Is China's Cotton Consumption Much Higher Than Now Forecast?**
- **Senior bank official: China will do its part in sorting global imbalances**
- **U.S. should open up to more China investment**
- **Rieter Celebrates Opening Of Chinese Facility**

China's Import of T&A USD 5.75 billion in Jan. - Apr. 2007

DATE: 2007/06/05

Statistics by China Customs reveal that China's total imp. & exp. value of foreign trade recorded U.S. dollar 635.730 billion in Jan.- Apr. 2007 increasing 23.60% compared with the same period of last year. Among them, export was 349.52 billion dollars, increasing 27.50%; while import was 286.2 billion dollars, increasing 19.10%. Trade surplus was 63.32 billion dollars. Statistics shows that China's gross imp. value of textile and apparel in Jan. - Apr. 2007 was 5.571 billion dollars, up 5.71% year-on-year, taking up 2.01% of China's total foreign trade. In which, the gross import of textile was 52 billion dollars, up 5.71 % year-on-year, while the gross import of apparel was 0.52 billion dollars, up 5.67% year-on-year. The surplus in textile & apparel trade was 39.688 billion dollars.

In the main import countries and areas, the top three are Taiwan China, Japan and Korea. The import of textile and apparel from Taiwan China was 1.012 billion dollars, and 0.995 billion dollars from Japan, 0.792 billion dollars from Korea, increasing by -0.99%, 2.78% and -1.71% year-on-year separately. Statistics said that in Jan. - Apr. 2007 China's gross export value of textile and apparel reached 45.439 billion dollars, up 15.08% compared with the same period of last year, and taking up 13.00% of gross export value of foreign trade in China. Among them, textile import was 17.230 billion dollars, increasing 11.48% compared with the same period of last year, and apparel import was 28.209 billion dollars, increasing 17.40% compared with the same period of last year.

Among the main export countries and areas, USA, Japan and Hong Kong China became top three. In Jan. to Apr. 2007, the import textile and apparel from USA, Japan and Hong Kong China was 18.892 billion dollars, taking up 41.58% of China's gross export of textile and apparel. The export of textile and apparel to USA was 7.082 billion dollars, up 32.35 % year-on-year; to Japan 6.341 billion dollars, up 1.48% year-on-year; to Hong Kong China 5.469 billion dollars, up 4.91%. And the export

of textile and apparel to EU was 7.833 billion dollars, up 13.95% year-on-year. Statistics shows that the total export of textile and apparel to EU and USA in Jan.-Apr.2007 was 14.195 billion dollars, up 22.00%, taking up 32.82% of China's gross export of textile and apparel.

Source: CCPIT TEX

Analysis of China terylene fiber production, sales and storage in March 2007

DATE: 2007/06/08

Affected by fluctuation of oil price, the prices of raw materials for PTA;EG went up or down in Mar. 2007. According to statistics from China Textile Circulation Association on chemical fiber's production, marketing and storage, the national gross production of short terylene fiber amounted to 165,110 tons (among statistical sample enterprises) in March, 2007, 27,144 tons lower than the same period of last year, with a decrease of 14.11% while the national gross production of filament terylene reached 191,832 tons 8187 tons more than the same period of last year, with an increase of 14.11percent.

The sales of short terylene fiber, filament terylene and polyester slice in Mar. surged 27.01% to about 169,445 tons from 36,031 tons in Feb. But, compared to the same period last year, it decreased 30,041 tons, down 15.06% In March, the sales of terylene fiber surged to a high level while production of terylene fiber increased a little bit which resulted in the stock volume of filament terylene in March largely decreased 8.69% from Feb. and the stock volume of short terylene fiber was down 6.52% from Feb. When it comes to the ratio of output to sales, the filament terylene was up 16.34 % over previous month and short terylene fiber was up 6.75 % over previous month.

Asian Economic Growth Continues Engine of World Growth

DATE: 2007/06/08

Asia is now the engine of world growth. The U.S. economy grew only 0.6 percent in the first quarter while Asian growth continued to surge. India's economy posted year-on-year growth of 9.4 percent in the fiscal year ending March 31, 2007, which was up from 9.0 percent in the previous year. It also marked the second fastest annual growth since the country became independent in 1947. The record growth occurred in 1998/99 when the economy grew 10.5 percent. First quarter 2007 GDP growth was 9.1 percent, up from 8.7 percent in the previous quarter. India is not alone in this growth. In Japan, Asia's largest economy, corporate spending in the first quarter of 2007 surged 13.6 percent from year ago levels. This exceeded all expectations and is likely to lead to first quarter GDP growth being revised upward to 3.2 percent from the initial estimate of 2.4 percent.

Despite its political woes, Thailand's economy was much stronger than expected in the first quarter. Quarterly GDP growth reached 4.3 percent in the first quarter, which was above most expectations. Export growth is continuing to drive the economy. First quarter exports surged 19 percent providing the country with a 4.1 billion dollar trade surplus during the quarter. Thailand's private consumption was also strong, increasing 1.3 percent from a year ago in the first quarter. The Asian boom has spread to the Philippines. First quarter GDP growth reached 6.9 percent from a year earlier. This was the highest rate of growth since 1990.

Source: China Textile Network Company

Sino-German Seminar on IPR Is Held in Beijing and Tian Lipu Presides over

DATE: 2007/06/04

Jointly sponsored by the State Intellectual Property Office of the People's Republic of China and the Patent and Trademark Office of the Federal Republic of Germany, the Sino-German Seminar on IPR was held in Beijing on May 15, 2007. Tian Lipu, Commissioner of SIPO presided over the opening ceremony and also delivered an address. Juergen Schade, Director-General of the German Patent and Trademark Office and Anders Lundgren, an official of the German Embassy in China also delivered an speech in the opening ceremony respectively.

In his address, Tian pointed out that the "Chinese government has attached great importance to the IPR work and done a lot of effective work in terms of strengthening IPR innovation, management, application and protection. At present, China is in the process of formulating the state intellectual property strategy, further perfecting the IPR laws such as the "Patent Law" and intensifying the law enforcement on cracking down IPR infringement and acts of passing off by adopting various measures. Through concerted efforts, China has made obvious achievement in IPR work. And IPR is playing an ever important role in promoting the nation's economic and social development".

In the seminar, both sides conducted extensive and thorough discussions on the IPR issues of mutual concern. The experts concerned who came from the State Intellectual Property Office, the German Patent and Trademark Office, the Beida Founder Group Co. Ltd., and the No.2 Intermediate People's Court of Shanghai Municipality respectively made speeches on the relevant themes such as the protection for biologic technology invention, the patent administration of transnational corporations and the infringement actions in the industrial property area.

It was learned that the Sino-German friendship and cooperation relations on IPR has entered the 26th year and the said offices of the two countries have always maintained close and friendly exchanges and cooperation. The German Patent and Trademark Office has rendered great support and help for the development of the patent undertaking in China. In the recent ten years, along with the development of friendly relations between China and Germany in the political, economic, science and technology and cultural fields, Sino-German cooperation on IPR has become an important component of our cooperation, playing an active role in pushing forward the bilateral economic and trade relations as well as the interflow of science and technology and culture. This seminar has not only reviewed the achievements of Sino-German cooperation on IPR, but also laid a solid ground for the further strengthening and deepening of cooperation between the two countries.

Source:www.sipo.gov.cn

Sino-European Textile Groups Pen CSR Pact

DATE: 2007/06/01

The first Sino-European cooperation agreement on corporate social responsibility (CSR) was signed on May 18 in a move to strengthen strategic ties between Chinese textile suppliers and European

Source: China Textile Network Company

retailers. China National Textile and Apparel Council (CNTAC) and Foreign Trade Association (FTA) of Europe signed the pact, in which the organizations promise to foster cooperation on information sharing, evaluating suppliers and retailers and preparing training material to improve the supply chain. "Chinese enterprises have increased awareness about CSR in recent years, thanks to economic globalization and the government's call for a more harmonious society," said Chen Shuijin, vice-president of CNTAC.

Chen added that textile enterprises should pay more attention to this issue because their processing procedure impacts both employees and the environment. "CSR concerns safe production, working conditions, employment, product quality and environmental protection," said H.D. Koeppe, a senior advisor of FTA Europe. CNTAC has made strides to implement CSR practices, such as establishing a CSR promotion office, formulating a CSR industrial code for China's textile and apparel businesses, and conducting annual CSR reports since 2005. However, collaborating with mature markets might speed up improvements of Chinese companies' CSR practices, insiders say.

Source: China Daily

China's Wool Exports Strongly Go Up in First Two Months

DATE: 2007/06/05

China's chiefly wool exports rose strongly (by both value and volume) in the first two months of 2007 compared with the same period last year. In January, China's chiefly wool exports of most categories of wool products made significant gains with the exception of worsted fabric and carpets. February exports surpassed the growth seen in January with all wool product categories reported two-digit or three-digit growth in both value and volume terms. A potential reason for the extraordinary growth is that Chinese textile companies decided to ship their goods as soon as possible to avoid large losses from potential cuts in export tax rebates.

The main export destinations for China's chiefly wool exports in January and February were Japan, the United States, Hong Kong, the EU, and South Korea. Japan still dominated China's wool apparel export market, both for men's and women's apparel, while the United States purchased a very large share of China's carpet. As well as the traditional destinations for China's wool exports, strong growth was seen in some developing countries. For example, woollen yarn exported to the Czech Republic and Indonesia rose in January and February year-on-year. In the worsted yarn sector, exports to former USSR countries saw huge growth year-on-year. Turkey was the dominant export destination for both woollen and worsted fabric for the period.

Source: Australian Wool Innovation Limited

Certain Polyester Staple Fibers from China Injures U.S. Industry, Says ITC

DATE: 2007/06/05

The United States International Trade Commission (ITC) today determined that a U.S. industry is materially injured by reason of imports of certain polyester staple fiber from China that the U.S. Department of Commerce has determined are sold in the United States at less than fair value. All six

Source: China Textile Network Company

Commissioners voted in the affirmative. As a result of the Commission's affirmative determination, the Department of Commerce will issue an antidumping duty order on imports of certain polyester staple fiber from China.

The Commerce Department previously made an affirmative critical circumstances determination with regard to imports of this product from China. Therefore, the Commissioners who made an affirmative injury determination today are required to determine whether these imports are likely to undermine seriously the remedial effect of the antidumping duty order Commerce will issue. All six Commissioners made negative findings with regard to critical circumstances in this investigation. As a result, the antidumping duty order concerning these imports will not apply to goods that entered the United States from China prior to December 26, 2006, the date of the Department of Commerce's affirmative preliminary determination.

The Commission's public report Certain Polyester Staple Fiber from China (Investigation No. 731-TA-1104 (Final), USITC Publication 3922, June 2007) will contain the views of the Commission and information developed during the investigation. Copies may be obtained after June 14, 2007, by calling 202-205-2000 or from the Office of the Secretary, 500 E Street SW, Washington, DC 20436. Requests may also be made by fax to 202- 205-2104.

Product Description: For purposes of this investigation, the product covered is certain polyester staple fiber (PSF). PSF is a man-made fiber that is similar in appearance to cotton or wool fiber when baled. Certain PSF is known in the industry as "fiber for fill," as it is generally used as stuffing in sleeping bags, mattresses, ski jackets, comforters, cushions, pillows, and furniture. Certain PSF has physical characteristics that distinguish it from other polyester staple fibers (such as carpet fiber and fiber for spinning), including the denier of the fiber, the length of the fiber, and in some cases the finish and "crimp" of the fiber. The merchandise subject to this investigation is provided for in subheading 5503.20.00 (statistical reporting numbers 5503.20.0045 and 5503.20.0065) of the Harmonized Tariff Schedule of the United States.

Source: UNITED STATES INTERNATIONAL TRADE COMMISSION

Shishi clothings enter Paris

DATE: 2007/06/05

This April, a Shishi city based company has set up a "Chinese clothing wholesales city" in Paris to sell local made garments. The total area acquired by the wholesale city is 385 square meter with two floors. The first floor is the wholesales market and the second floor is the office. So far, over 10 containers of clothing from Shishi located in Fujian Province have been exported to Paris. China is operating through over 800 shops in Paris. However most of these belong to dealers of Wenzhou. But now Shishi clothings can also be seen in the fashion hub.

Source: Fibre2fashion News desk

Is China's Cotton Consumption Much Higher Than Now Forecast?

DATE: 2007/06/04

There is for sure a high degree of mystery regarding most of the statistics emerging from China's cotton and textile sectors. The latest debate has been centered on possible stock levels and the belief that cotton production could have been underestimated. Adding even more to the enigma is the data regarding cotton consumption, which is estimated by using the yarn production estimate and then attempting to arrive at a market share for cotton.

There is overwhelming evidence that cotton consumption in China is rapidly expanding. One reason is fixed asset investment in the sector, with 2007 continuing the record pace of 2005 and 2006. January through April 2007 investment, according to CTSC, reached 56.951 billion yuan, which represented 28.43 percent growth, while investment in cotton textiles reached 17.401 billion yuan, which reflected 29.12 percent growth. Then there is the host of textile production data. Total yarn production expanded 20 percent in January through April to a record 5,781,995 tons. Fabric output grew 12 percent to 14.482 billion meters, while cotton fabric output increased 14 percent to 7.941 billion meters. Total apparel output in January through April grew 14.5 percent to 5.537 billion units. We can even follow the expansion to retail sales, where apparel sales are growing near 25 percent annually.

Against this backdrop, the debate is over cotton's share of this expansion. In 2007, the National Bureau of Statistics (NBS) expanded their release of data. Through Globecot's Chinese joint venture partnership, we have been receiving data that fully breaks down fabric and apparel output by sectors. For fabric, we monitor 100 percent cotton, cotton-blend and MMF fabric, etc., in addition to total fabric output. The similar data on yarns just recently became available, and it reveals that cotton's market share of yarn production is clearly larger than anyone's calculations; but unfortunately, the data does not reveal a truly accurate number. Let's work through the numbers to illustrate this -- 100 percent cotton yarn output, which is defined as at least 95 percent cotton, is estimated at 4,563,291 tons. This is a shocking number that would imply a market share for cotton of over 78 percent after adjustments. Blend yarn production is estimated at 775,903 tons.

If one were to assume that cotton-blend yarn is 50 percent cotton, then add the 100 percent cotton yarn and you reach 4,951,242.5 tons or a strong 85.63 percent market share for cotton. Adjusted back to reflect only 95 percent cotton in the 100 percent yarn output estimate would reduce cotton's market share to 81.68 percent.

This market share is astounding to those working off the general range of 55 to 61 percent. To put some historical context behind the estimate, the Ministry of Textiles previously published cotton's market share of yarn production, which ranged from 75 to 84 percent during the 1985 - 1991 period, after which it was no longer published. Recently, a 64 percent market share has been used by some, because it has been referred to in official textile ministry speeches and other documents. From this percentage, downward adjustments have been made based on various factors; however, looking back at historical data indicates that a market share of 81 to 82 percent has occurred in the past.

If the 81.68 percent market share implied by these numbers is used to estimate cotton consumption, then the cotton consumption estimate arrived at is even more shocking. An 81.6 percent market share would result in January through April cotton yarn output of 4,722,733.5 tons. Assuming a cotton waste factor of 4 percent, this would imply cotton use during the four-month period at

Source: China Textile Network Company

4,911,642.8 tons; and when this is annualized, it would reflect total cotton use of 14,734,928 tons or a mind boggling 67,699,626 480-pound bales.

Such an estimate compares to today's USDA's forecast of 50 million bales used in 2006/07. What the estimate does is reinforce the suggestion that cotton consumption in China is being underestimated. The question is by how much? When a one percent shift in cotton market share of 100 percent and blend yarn equals 143,744 tons or over 660,000 bales, small changes mean significant volume. Obviously the NBS textile statistics have some errors. Globecot's constant monitoring of the data over the past few years for fabric and other textile products have seen that they are subject to major revisions, both monthly and annually. It should be rendered that the NBS is spending millions of yuan on the surveys and tabulations; thus, the data is seriously arrived at with great effort. However, it's clear that the yarn data needs some significant revisions and adjustments in order to provide a clear picture of cotton consumption. The access to adequate data is important to all, including decision-makers in China.

For the cotton market, what we do know is that cotton consumption in China was larger than 50 million bales in 2006/07, and it will continue to expand in 2007/08. This conclusion adds even more uncertainty as to cotton stock levels and production data.

Source: globecotnews

Senior bank official: China will do its part in sorting global imbalances

DATE: 2007/06/05

China will start a trial budget of earnings of state-owned enterprises (SOEs) under the supervision of central government within this year, the State Council decided at a meeting on Wednesday chaired by Premier Wen Jiabao. With the budget, the state would obtain the earnings from state-owned assets as the owner of enterprises, and spend the money according to the budget plan. The earnings included in the budget would be channeled to support the government's planning for industrial development, restructuring national economy, technological renovations of companies, compensating SOEs with huge structural reform expenses, and supplementing the social security fund, said the premier.

Wen said the special budget system was an important step in the income distribution reform of state-owned enterprises, and would help companies improve technologies and competitiveness, adding the government's macro-economic control would be strengthened as well. The earnings of the SOEs would satisfy the needs of enterprises for their development, and only a proportion of total earnings would go into the budget. The proportion should be set at a reasonable level to ensure the needs of both, Wen said. The budget of SOE earnings would be planned independently from the government's main public spending budget. The new budget would be carried out at the local level according to the plans of local governments.

Source:xinhuanet

U.S. should open up to more China investment

DATE: 2007/06/01

With all the concern over the dramatic imbalance in China-U.S. trade, it is expected that the second round of China-U.S. Strategic Economic Dialogue concluded in Washington last week will further open the door for direct investment by China in the U.S. The Chinese government is making unprecedented efforts to boost imports and reduce the trade surplus. However, reversing the trade imbalance by increasing Chinese domestic demand or dramatically increasing Americans' savings is a distant possibility. A more effective means to cut down the surplus in China's current account is to raise overseas direct investment. Overseas direct investment could powerfully upgrade the structure of China's overseas assets.

The State reserve of foreign exchange accounts for the majority of China's overseas assets, and the proportion is climbing quickly. The managers of the reserve are loaded with risks in the foreign exchange market. They also face the danger of pumping extra money into the Chinese economy which is already troubled by excessive liquidity. These pressures would be dramatically eased when overseas direct investment is geared up. This use of overseas direct investment has been effectively used by many countries.

In the 1970s, Japan had planned to make huge investments in countries across Latin America, Asia and Africa in an attempt to promote the industrialization of the developing countries to stimulate the export of its industrial equipment. The Maekawa Report, released in 1986 by an advisory council to then Japanese Prime Minister Nakasone Yasuhiro, suggested that Japan should transform its economy to depend on domestic demand by boosting consumer spending and overseas direct investment to reduce Japan's huge surplus. China is now enjoying a demographic dividend. A relatively large share of the population has reached the prime age for working. Saving is high for most of the working population and spending on dependents is relatively low.

At the same time, the problem of an aging population is looming. It is very likely in the not-too-distant future that revenues from overseas direct investment will be used to help China's aging population share the economic growth in other countries and regions around the world. China's developing overseas direct investment is also in the interest of the U.S.. The U.S. has seen an extremely low level of personal savings in last decades, so it has to depend on money inflows to bridge the gap between domestic deposits and its foreign investments.

According to statistics from China's Ministry of Commerce and the National Bureau of Statistics, China's direct investment in other countries and regions was 57.2 billion U.S. dollars by the end of 2005 while the figure from the State Administration of Foreign Exchange was 64.5 billion dollars. Considering the fact that many investments are not officially registered, the actual overseas investment from China could well be larger than the government figures. Within the official figure, Chinese direct investment in the U.S. was a modest 823 million dollars at the end of 2005.

For Chinese investors, the U.S. is an attractive destination, not only for its huge market, but also for diversified resources like cotton, timber and grain. Yet, Chinese investors have experienced numerous obstacles when they try to invest in the U.S.. When CNOOC, China's largest offshore oil and gas producer, tried to acquire the U.S. energy company Unocal in 2005, and Lenovo, China's giant in computer technology, bought the PC line of IBM the same year, both Chinese companies felt huge pressure from the U.S. public and interest groups as well as the government in CNOOC's case.

Chinese companies encounter more barriers when they try to penetrate the U.S. financial sector. For more than a decade, Chinese banks have repeatedly been denied permission to set up branches in the U.S.. In contrast, more than 100 business outlets and offices of U.S. banks now operate in China. The U.S. insurance market is also closed to Chinese investors. Many U.S. states stipulate that only foreign insurance companies with existing operations in other states can open businesses or set up branches. Such stipulation makes it mission impossible for foreign insurance companies to gain a foothold in the U.S. market.

With China's huge potential for overseas direct investment, many countries and regions are trying to lure Chinese investors. At the same time, the U.S. needs foreign capital for sound economic development. Therefore, it is high time for Chinese investors to get fair treatment on the U.S. market. Before the first China-U.S. strategic economic dialogue last December, U.S. Treasury Secretary Henry Paulson pointed out that one of the three key areas in the dialogue was encouraging both countries' markets to be more open to trade, competition and investment. Since investment and transparency were concerns in last week's dialogue, Chinese investors may soon experience a friendlier environment in the U.S.

The author is a researcher with the Chinese Academy of International Trade and Economic Cooperation.

Source: China Daily

Rieter Celebrates Opening Of Chinese Facility

DATE: 2007/06/06

Switzerland-based Rieter Group recently invited more than 300 guests to celebrate the opening of a new facility in the Changzhou National Hi-Tech Development Zone in Changzhou, China. Activities included a formal ceremony, presentation of its D201 doubling machine, and a three-day open house for existing and prospective customers.

Rieter invested more than 50 million yuan (US\$6.5 million) in the new facility, which consists of an office building; workshop for assembly and production; sheet metal workshop with state-of-the-art machinery and fully operational powder painting line; and showroom. The showroom displays Rieter textile products including blowroom, carding, draw frames and end-spinning machines, and will be used for spinning trials and customer and in-house training.

"We are convinced that the Chinese market needs high-quality and high-production machinery for top-end products and we can serve the market with the right products," said Sigi Foehn, CEO, Rieter Textile Systems (Shanghai) Ltd. Rieter representatives also added that the company will continue to invest in China and the Changzhou zone in particular, with the goal of increasing production capacity in the zone by three to four times in the coming years.

Source: textileworld