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French Government Firmly Demands Extension of Chinese Textile Quotas

DATE: 2007/06/21

Quotas on Chinese textile imports are due to expire by the end of 2007. However, now the French Government has decided to demand an extension of these quotas. Prime Minister Francois Fillon told the media, "We will fight to push back the 2008 date for the lifting of quotas on Chinese textiles, like the US." Fillon said that European Union should help textile players to remain competitive and be a part of globalization. Christine Lagarde also supported this move, saying, "The EU must return to negotiate with China in the framework of the WTO for more protection, notably on the subject of Chinese textiles." However, EU stated that it would remain firm on its decision to end quotas by 2007.

sSource: Fibre2fashion

China and EU nod to talks on trade rules

DATE: 2007/06/18

China and the European Union agreed to kick off negotiations to improve the framework documents on bilateral economic and trade relationship, according to a senior trade official. "The two sides have agreed to officially launch negotiations toward adjustment of the Sino-EU agreement on trade and economic cooperation inked in 1985," Yao Shenhong, a spokesman of the Ministry of Commerce, said on Wednesday. The decision was made by Commerce Minister Bo Xilai and EU Trade Commissioner Peter Mandelson in their latest meeting in Brussels.

Source: China Textile Network Company

The previous agreement was part of the legal framework on Sino-EU relations. Both China and the European economic bloc have undergone such significant changes in the past two decades that the current agreement is not enough to manage all the issues between the two. Yao said the ministry will head the Chinese negotiating party but declined to give a detailed timetable of the negotiations. The decision to launch the talks was among the over 10 consensuses reached by Bo and his EU counterpart. Others include new talks on steel trade, facilitating EU's exports to China and the EU's reopening of its market to Chinese poultry.

According to the European Commission, Bo and Mendelson reviewed bilateral trade relations discussing a wide range of issues, from textile, steel and intellectual property rights to China's market economy status. Mandelson urged Beijing to address barriers to EU exporters and investors in the Chinese market and to protect EU businesses in China from intellectual property theft. In its updated assessment on China's progress toward market economy status, the European Commission said China has met only one of the five technical criteria for the status. In response, Yao said the EU "criteria" are too critical and the European Commission did not treat information from Chinese government and other sources equally in the assessment procedure. He added the EU side should assess China's efforts objectively and grant China the market economy status as soon as possible.

Yao said the US move to impose both anti-dumping and countervailing duties on Chinese coated paper is "self-contradictory". He made the remark over the Bush administration's decision to apply countervailing duties on coated paper imports in March and levy preliminary tariffs on imports of coated paper from China, Indonesia and South Korea at the end of last month to make up for low-priced products "dumped" in the US. The United States considered China's to be market economy in its countervailing assessment but not in its anti-dumping evaluation, Yao said. "We will monitor the development of the case and reserve the right to take appropriate measures to respond."

China is poised to take further tax measures to help narrow its trade gap, according to Yao. "In future, we will launch a series of measures to improve import and export tax policies to balance our trade," he said when asked whether further adjustments in tax rebates were expected. China has recently reduced and scrapped tax rebates on a range of energy-intensive products and imposed taxes of between 5 and 10 percent on exports of more than 80 types of steel products. The buzz is that the government is proposing rebate reductions on a wider range of products.

Source: China Daily

Sino-EU Trade Relations Show Strong Signs of Development

DATE: 2007/06/22

Gao Fuchen, the Vice Minister of China Commerce Department, held a meeting after returning from Sino-EU Economic Trade Joint Committee. Over 30 members from Hong Kong Textile Commerce and leaders of departments like the Foreign Trade Bureau, the Foreign Capital Bureau and the Chairman of Chinese Textile Commerce took part in this conference.

The Minister announced the evaluated results of Memorandum of Understanding of Sino-EU Textile Trade signed in 2005. Both EU and China opined that this MoU has created a stable, healthy

Source: China Textile Network Company

environment for trade within two years. Issues discussed in the meeting included policy related to trade, anti-dumping, intellectual property rights, the tariff of textiles and clothing, RMB exchange rate, foreign investment and many other issues, so as to promote healthy development of Chinese mainland and Hongkong textile and clothing industry.

Source: Fibre2fashion

Intersport heading to China

DATE: 2007/06/22

Intersport International (IIC), the European sporting goods buying group and retailer, is set to venture into China, where it plans to open a first store just in time for the Summer Olympic Games in 2008. Intersport wants to have the first stores in China when the Olympic Games kick off in Beijing next year, the group's CEO, Franz Julen, said. Meanwhile, the first Intersport store in the Middle East has opened in Dubai. The 1,300 square metre store in the city's new Time Square shopping centre is operated by Intersport's local partner Al-Futtaim Group. Together with the Emirati multi-industry group, Intersport plans to open further stores in Dubai and Abu Dhabi in the next six months.

In 2006, retail sales of Intersport's approx. 5,000 member companies in 30 countries worldwide increased by 8.3 per cent to €8.4bn. Intersport's sales from wholesale business with its member companies rose 13 per cent to €4bn. Intersport Germany reached sales of €2.3bn. This year, Intersport expects sales to grow in the mid single-digit range. The organisation commands 19.8 per cent of the €37bn European sporting goods market.

Source: TWnetwork.net

NDRC Set to Intensify Cotton Quality Reform

DATE: 2007/06/22

The National Development and Reform Commission (NDRC), which oversees China's cotton quality reform initiative, has indicated it is not happy with the progress of reform. The commission has indicated it will intensify its efforts to promote modernization of the ginning sector and improve cotton quality. China has too much ginning capacity. Much of it is old and produces small bales with a significant variation in quality. The NDRC wants gins to consolidate, modernize and produce a standard 480-pound or 225-kilogram bale, and also wants quality to improve along with lower contamination. The NDRC, in comments regarding the initiative, has stated that ginneries have not been provided enough incentives to modernize and that textile mills have not accepted the new standardized bales to the desired extent. The expected efficiency in improved transportation and warehouses of standard bales has not yet been achieved.

For the 2007/08 season, the NDRC will accelerate the reform process through greater incentives, with the goal of forcing gins to close down that do not qualify. The initiative will contain the following major points:

- Free quality inspection for 220-kilogram bales.

Source: China Textile Network Company

- Preference in state reserve purchases.
- Preference in domestic transportation.
- Direct link of import quotas to those mills buying 480-pound bales.

The NDRC has also indicated it is considering additional incentives, which are:

- Development of a target price system for cotton to aid growers.
- ZCE and CNCE to discontinue the acceptance of small bales in their delivery system. Only 220-kilogram bales would be eligible for delivery.
- Agriculture Development Bank to provide more extensive credit and loans to mills that agree to use 220-kilogram bales.

Source: globecotnews

PTA Producers Have Eyes Fixed on Futures in China

DATE: 2007/06/21

Significant fluctuations in the price of purified terephthalic acid (PTA) have resulted in increased interest in PTA futures at the Zhengzhou Commodity Exchange Centre (ZCEC) in China, from both PTA producers and downstream consumers. Zhejiang Yuandong Chemical Fiber Group, the largest PTA consumer in China with demand for 700,000 tonne/y, plans to source 50% of its PTA from within China during 2007. Whereas the price of imported PTA is expected to reach \$920/tonne, long-term contracts for Chinese PTA can be bought for \$820/tonne. Zhejiang Hualian Sunshine Petrochemical Co Ltd, which produces 600,000 tonne/y of PTA, plans to enter the PTA futures market and to optimize its hedging deals. PTA remains in short supply in China and prices can be set by producers. By purchasing futures, downstream consumers can ensure PTA supplies for several months via an 8% guarantee fund. Jiangsu Sanfangxiang Group Co Ltd, a producer of polyesters and fibres, has purchased PTA futures via ZCEC and will only pay once the goods are delivered.

source: Financial Times

China Announces Widespread Cut in Export Tax Rebates

DATE: 2007/06/20

China's Ministry of Finance has announced that export tax rebates on 2,831 products will be cut, with rebates to be reduced on 553 products on July 1. The announcement included apparel, which will be reduced 2 percent, and some textiles and toys. The reduction in export rebates have been rumored for months and had been expected to be announced effective April 1. Many exporters shipped sales early to avoid the deadline. The widespread cuts appeared to be aimed at products that have been the source of trade friction, with textiles and apparel having been one of the products subject to trade friction complaints. China has been the target of one-third of all WTO complaints registered in regard to textile and apparel trade.

Source: globecotnews

ITMA Asia 2008 Sold Out

What a success: With a year to go before the show opens for the first time in China, the ITMA Asia + CITME 2008 exhibition is already sold out. The 3rd ITMA Asia, which will take place in Shanghai, is scheduled to be held from 27-31 July 2008. The 100,000 square meters (m²) of gross exhibition space at the Shanghai New International Expo Centre (SNIEC) for the first combined show has been booked up by textile machinery manufacturers from around the world. As applications continue to come in, the show owners European Committee of Textile Machinery Manufacturers (CEMATEX), the Sub Council of Textile Industry, China Council for the Promotion of International Trade (CCPIT-TEX), China Textile Machinery Association (CTMA) and China International Exhibition Center Group Corp. (CIEC) have booked additional space at SNIEC.

800 Manufacturers From 20 Countries

ITMA Asia + CITME 2008 is organized by Beijing Textile Machinery International Exhibition Co. Ltd. and by former ITMA Asia organizer MP International Pte. Ltd. At the close of space applications in April 2007, organizers had received bookings from some 800 manufacturers from 20 countries and regions, filling all nine halls. The bulk of applications to date has come from CEMATEX countries ¹ Belgium, France, Germany, Italy, the Netherlands, Spain, Sweden, Switzerland and Great Britain ² and China, each taking about 45 percent of total space. Other applications have been received from manufacturers in Denmark, Egypt, Hong Kong, India, Japan, Korea, Malaysia, Taiwan, Thailand and the United States.

The Japan Textile Machinery Association (JTMA), a key partner of the ITMA Asia + CITME 2008 show, will bring a strong group of exhibitors to Shanghai. Space booked so far by Japanese exhibitors has already exceeded that of ITMA Asia 2005, and more bookings are likely to come. Two new halls which are currently under construction will be ready in time for ITMA Asia + CITME 2008. This will bring the gross exhibition area to 120,000 m² for the combined show ³ s debut.

Stringent Admission Criteria

The combined show features stringent admission criteria. Only original machinery manufacturers are allowed to take part in the exhibition, no agents, and each exhibitor must show actual products. No information booths are allowed. It will be the first exhibition in China to establish an on-site Intellectual Property Protection Office. This move has been well-received by the exhibitors as it protects their intellectual property rights and enhances the quality of the exhibition.

Meanwhile, extensive promotions are being planned to invite buyers from the region to visit the combined show. Strict controls will also be implemented to ensure that only trade and professional visitors are admitted to the exhibition so as to create an excellent business platform for exhibitors and buyers.

Important Cooperation Between ITMA Asia + CITME

China's Vice Premier Madam Wu Yi commended the strong cooperation between ITMA Asia and CITME. "The combination of two leading textile machinery exhibitions in the world's largest textile and apparel industrial center will further facilitate the complementary cooperation between the textile industries in China and Europe, and boost prosperity and progress in a globalised world," she said. CEMATEX President A. E. Roberts added, "China is a very important market for our members and they are enthusiastic about the country's potential. As a result, they are concentrating all their marketing efforts into this milestone show."

Source: China Textile Network Company

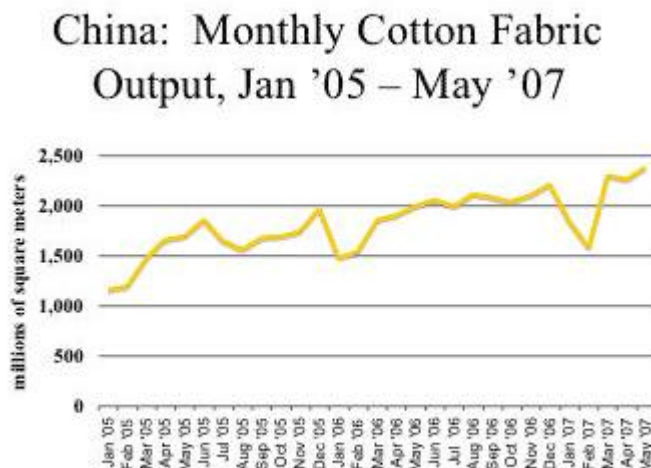
ITMA Asia + CITME 2008 has received support from the world's major textile machinery associations: the American Textile Machinery Association (ATMA); CTMA; CEMATEX; JTMA; Korea Textile Machinery Association (KOTMA); and Taiwan Association of Machinery Industry (TAMI). These associations have also pledged that the combined show will be the only exhibition in China that they will fully support in the future.

For more information, go to www.itmaasia.com.

By Jörg Rupp, Executive Editor
Source: textileworld

Cotton Fabric Output Shows Strong Growth in May

DATE: 2007/06/19



China's cotton fabric output reached 2.373 billion meters in May, which was up from 2.256 billion meters in April and reflected 18.41 percent year-on-year growth. Total September 2006 through May 2007 cumulative cotton fabric output reached 18.904 billion meters, reflecting a year-on-year gain of 15.38 percent.

Source: globecotnews

MMF Expansion Reaches 20.72 Percent in May

DATE: 2007/06/19

The record pace of fixed asset investment in China's textile and apparel sector is continuing to fuel the expansion in textile output. Total man-made fiber output grew 20.77 percent to 2,039,800 tons in May, which was up from 1,964,000 tons in April, while total September 2006 through May 2007

Source: China Textile Network Company

output reached 16,620,600 tons, reflecting 14.26 percent year-on-year growth.

Source: globecotnews

Cotton sales jump by 51.7% in FY07

DATE: 2007/06/18

The CNCRC (China National Cotton Reserves Corporation) declared yesterday that cotton sales have increased by 51.7 to 5.46 million compared to sales the previous year. China National Cotton Reserves Corporation is a wholly state-owned enterprise founded in March 2003 with the approval of the State Council. CNCRC is assumed with the overall responsibility for the management of the state cotton reserve. As per the survey conducted by CNCRC, the cotton prices are on the rise as most of the textile manufacturers are increasing their cotton stocks.

CNCRC is registered with a capital of 1 billion RMB. It has the right to import and export cotton and can approve some foreign affairs within certain extent. There are 18 cotton warehouses affiliated to CNCRC, which are located in main cotton producing and consumption areas all over China. Seventy four percent of Chinese textile manufacturers plan to purchase more cotton. This has resulted into the cotton prices going up by 0.8 percent per ton to 13076 Yuan.

The major business scope of CNCRC covers purchase, sale, storage, transportation and processing of the state cotton reserve, lease of storage equipments and related services, cotton import and export, etc. CNCRC plans to make great contribution to the development of the national economy and the acceleration of market-oriented transformation of china's cotton circulation system.

Source: bharattextile

May Retail Sales Soar 15.9 Percent

DATE: 2007/06/18

China's May retail sales reached 715.8 billion yuan or approximately 94 billion U.S. dollars, which represented 15.5 percent year-on-year growth. It also was the strongest monthly sales gain since May 2004 after adjustments for the Chinese Lunar New Year Holiday. Meat, grain and automobiles led the sales growth, with year-on-year gains of 38.8 percent, 35 percent and 34.2 percent.

Very strong apparel sales were noted with year-on-year gains of 23.5 percent, which was further supported with brisk sales in May by "Giordano", a Hong Kong-based apparel retailer that has extensive stores in China. Total January through May 2007 retail sales have reached 3.5018 trillion yuan or approximately 448.94 billion U.S. dollars. Two reasons for such sales success are continuing income growth and the economic stimulus caused by the trillion U.S. dollar increase in the value of the domestic stock market.

Source: globecotnews

China, Italy reach more consensus on economic co-op

DATE: 2007/06/18

China and Italy Friday have increased consensus on economic cooperation, Chinese Commerce Minister Bo Xilai told a news conference with Italian Trade Minister Emma Bonino. Bo was leading a Chinese delegation to attend the 8th conference of the China-Italy economic cooperation mixed committee. At the meeting, Bo and Bonino discussed issues related to agricultural products, textiles, port logistics, two-way investments and cooperation between small- and medium-sized enterprises. Bo said China would maintain the smooth development of bilateral textile trade and two sides also agreed to further step up technological exchanges in this field.

Bonino said Italy admires China's great achievements in intellectual property rights (IPR) protection efforts, and has responded positively to issues related to China's market economy status. Both sides have also agreed to set up a Website on China-Italy trade and economic cooperation, to facilitate cooperation between small- and medium-sized enterprises between the two countries. The mixed committee will also meet annually. After the meeting, the host and guest signed some important agreements. In recent years, Sino-Italian trade relations have undergone fast development, with two-way trade volume reaching 24.6 billion U.S. dollars in 2006. Before the meeting, Italian Prime Minister Romano Prodi met Bo and his delegation.

Source: Xinhua

Chinese central government increases investment in Tibet

DATE: 2007/06/20

The central government of China has increased investment in Tibet Autonomous Region along with implementation of a range of preferential policies in recent years, a top local government official said here on Wednesday. Nine out of ten yuan spent by local finance of Tibet has come from the central revenue, said Qiangba Puncog, chairman of Tibet autonomous regional government, at a news briefing on Tibet's social and economic development. The funds used in Tibet's infrastructure construction and for its fiscal expenditure over the last 50 years have mainly allocated by the central government, said the chairman.

The central government will invest 77.8 billion yuan (10.23 billion U.S. dollars) in 180 projects in Tibet between 2006 and 2010. "These projects will improve local infrastructure and the living and production conditions for local farmers and herdsman, which will in turn lay a solid foundation for a faster development in Tibet," said the official. "At the moment, we are committing ourselves to fast economic development while persisting in the concept of "people first" and the scientific concept of development," said Qiangba Puncog, "Tibet'll realize the great target of building a better-off society in an all-round way together with the rest of the country by 2020."

Source: Xinhua