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Industrial Profit Shot up From January to May

DATE: 2007/06/28

From January to May, the industrial enterprises above designated size (all state-owned enterprises and non-state-owned enterprises with an annual sales over 5 million yuan, same as follow) reached 902.6 billion yuan, rose by 42.1 percent over the same period of the previous year. The comprehensive industrial benefit index of this period was 200.41, a year-on-year increase of 21.79 points.

Among the industrial enterprises that above designated size, the profits made by state-owned and state-controlled enterprises achieved 419.3 billion yuan, increased 42.3 percent year-on-year; that of collective-owned enterprises was 22.3 billion yuan, up by 24 percent; that of share-holding enterprises gained 484.5 billion yuan, up by 39.5 percent; that of foreign funded enterprises, and enterprises funded from Hong Kong, Macao and Taiwan achieved 241.9 billion yuan, increased 38.6 percent; and that of private enterprises reached 137.9 billion yuan, rose by 48.6 percent.

Within 39 branches of industry, the profits of steel industry rose by 1.2 times as much as the same period of last year; that of architectural materials industry increased 70.1 percent; that of manufacture of chemical fibers industry increased 2.2 times; that of chemical industry grew by 69.4 percent; that of electric power industry, smelting and pressing of nonferrous metals industry, and coal mining industry gained an increase of 60.6, 29.8 and 43.1 percent respectively; that of manufacture of special purpose machinery industry, transportation equipment manufacturing industry, and electronic communication equipment manufacturing industry respectively up by 65.3, 60 and 4.6 percent. Whereas processing of petroleum and coking industry turned to get profits of 34.3 billion yuan from net loss of 19.9 billion yuan of last year. While the profit of petroleum and natural gas exploitation declined by 18.3 over the same period of last year.

The total volume of tax contributed by industrial enterprises above designated size was 627.1 billion yuan, a year-on-year increase of 24.9 percent. The main income for industrial enterprises above designated size reached 14,227.3 billion yuan, increased 27.4 percent over the same period of the previous year. By the end of May, the total volume of net receivable for industrial enterprises above designated size amounted to 3,416.4 billion yuan, a year-on-year increase of 18.8 percent. The total value of finished products for industrial enterprises was 1,589.4 billion yuan, rose by 20.1 percent.

Source: National Bureau of Statistics of China

Cotton imports may fall 32% on record production

DATE: 2007/06/28

China, the world's biggest producer and consumer of cotton, may reduce imports by 32 percent this year, pressuring international prices, as a record domestic crop boosts supplies. Imports may fall to 2.8 million metric tons in the marketing year through August, as output is forecast to rise 25 percent to 7.1 million tons, Shi Jianwei, vice chairman of the China Cotton Association, said today in an interview at a conference in Urumqi, capital of northwestern Xinjiang Province.

Slowing imports by China in the final quarter of 2006 and the first quarter of 2007 weighed on New York cotton futures, which reached a low for the year of 46.85 cents a pound on May 14. Still, prices have risen 31 percent since then, as traders expected shipments to China to increase in the second half.

"About 400,000 tons a month for the next few months will be the upper limit," Ray Butler, managing director at UK-based researcher Cotlook Ltd, told Bloomberg at the conference. China, which buys cotton mostly from the US, imported 1.5 million tons in the nine months ended May 31, according to customs data. Imports from June to August would need to be 1.3 million tons to reach Shi's forecast for the year.

The final Chinese output figure for the year through August may reach 7.5 million tons, much higher than the 6.7 million tons reported by the National Bureau of Statistics, Shi said. For the following year, it could drop to 6.1 million tons, as the weather may not be so good, while demand may remain the same as this year because growth of China's textile production is slowing, he said. "There is no sign" that current domestic cotton demand is outstripping supply, he added.

Source: Bloomberg

Monthly China import and export statistics for wool and wool textiles (Apr. 2007)

The wool textiles industry is a small but significant sector of the China economy. China is the world's largest producer and consumer of wool textiles and enjoys a reputation for producing broad and short wool which is especially suitable for use in producing a wide range of apparel and textile products. This monthly update provides official CWTA (China Wool Textile Association) data on China import and export of wool and primary wool textiles.

Source: China Textile Network Company

Table1: Export (Jan. 2007-Apr. 2007 Accumulated)

Category	Unit	Total volume of exports		EU		US		Japan		Hongkong	
		Accumulated volume	Y-on-Y Change (±%)	Proportion (%)	Y-on-Y Change (±%)	Proportion (%)	Y-on-Y Change (±%)	Proportion (%)	Y-on-Y Change (±%)	Proportion (%)	Y-on-Y Change (±%)
wool fabric	meter	31415241	+3.22	9.11	-35.48	4.56	+43.82	10.57	-12.00	9.02	-6.70
chemical fiber blanket	piece	70848497	+10.86	25.87	+4.99	27.22	-8.96	2.50	+19.74	0.43	+81.50
wool knitting garment	piece	46338529	+9.43	6.36	+19.32	4.91	+30.58	10.19	+6.56	10.91	-17.78
Among them: cashmere sweater	piece	1354398	-8.20	33.38	-18.93	21.89	-8.60	27.84	-9.84	9.97	+37.03
wool en sweater	piece	7495512	+12.60	7.72	+151.33	4.42	+43.81	21.36	+111.43	29.00	-24.90
wool woven garment	piece	16719982	+10.71	13.11	+52.85	14.19	+70.98	42.17	+0.98	5.3	+23.41
woolen blanket	square meter	3143626	+1.47	9.44	-6.77	65.34	+2.52	2.08	-0.41	5.89	-21.70

Table 2: Import (Jan. 2007-Apr. 2007 Accumulated) Unit: kg

Category	Total volume of imports		Australia		New Zealand		Uruguay		South Africa	
	Accumulated volume	Y-on-Y Change (±%)	Volume	Y-on-Y Change (±%)	Volume	Y-on-Y Change (±%)	Volume	Y-on-Y Change (±%)	Volume	Y-on-Y Change (±%)
wool total	116962977	+23.92	71534058	+18.76	10994553	-5.24	9043452	+34.93	3165285	+60.53
among them: greasy wool	93293727	+24.40	67281387	+18.27	7120862	-12.82	5372011	+39.45	2852632	+84.64
scoured wool	15954779	+31.89	3173718	+10.73	3732357	+14.15	962663	+126.89	145602	+42.51
wool top	6707086	+2.07	1078953	+126.79	141334	-4.77	2620803	+13.45	155553	-47.19
combing noil	564294	+13.57	0	-100.00	0	-100.00	87975	-23.87	11498	-61.77
waste	443091	+93.05	0	0.00	0	0.00	0	0.00	0	0.00

Data from: CWTA

Source: China Textile Network Company

Foreign firms to get tax rebates for hiring disabled Chinese

DATE: 2007/06/28

Foreign companies with disabled Chinese on the payroll will qualify for tax rebates from next year. The maximum tax rebate per disabled worker will be 35,000 yuan (US\$4,550) a year. Meanwhile, salaries of disabled workers will be exempted from employees income tax. Companies whose work force comprises more than 25 percent of disabled workers will be eligible for rebates on both income and value-added tax, according to the new policy announced by the Ministry of Finance and the State Administration of Taxation (SAT).

Those with less than 25 percent of disabled employees will only get income tax rebates. China has issued a series of preferential tax policies since the 1980s to promote the employment of disabled people. But a SAT official said that current policies had left many private and foreign companies out in the cold, unable to qualify for tax rebates. The new policy, which will apply nationwide from next month, is aimed at "creating a favorable taxation environment for fair competition and promoting employment for disabled people," the official said. Statistics show that China has nearly 83 million disabled people, with only 22.7 million in employment and about 8.6 million officially listed in unemployment statistics.

Source: China Daily

Rumors Abound in Chinese Market that Reserve Stocks Will Be Released

DATE: 2007/06/26

China's ZCE futures sharply declined on Friday, June 23, as rumors spread throughout the Chinese market that the government would soon release a sizable block of government reserve stocks into the market to calm domestic prices. The reason behind this is that many small mills are now complaining about the difficulty in obtaining local cotton stocks. The current stocks of local cotton are held by small local ginners, large ginners, cotton markets and ZCE & CNCE warehouse stocks. The small cotton spinners depend on the gins and their supply of cotton has fallen sharply, so the small spinners are being forced to pay up in order to keep their mills running. With the local cotton yarn prices not following the gains, these spinners are facing economic hardship from the price gains.

The continued surge in local prices has triggered a sizable offtake of imported cotton from consignment stocks, with over 100,000 tons of consignment stocks having sold in recent weeks. Local prices for T328 have reached 13,800 yuan per ton in many locations. This represents a significant price jump and many feel that prices could reach 14,000 yuan or higher this week unless reserve stocks are released. At 14,000 yuan for T328, this is equivalent to 83.33 U.S. cents per pound for a M 1-3/32" type. Over the past two years, the government policy has been to keep prices from extensively exceeding this level. Thus, it appears that a release of reserve stocks is very logical at this point, along with an acceleration in the purchase of imported consignment stocks.

Source: globecotnews

Source: China Textile Network Company

Fabric Export to HongKong by different Ownership

Companies in Jan - Apr, 2007		
Value Unit: 1000 USD		
Ownership Status	Value	Change%
Total	169274.2	4.32
State-owned companies	31435.2	2.9
Foreign Funded	100277.6	2.67
Sino-foreign joint ventures	19178.9	8.81
Sino-foreign cooperative enterprises	23149.9	-20.46
Sole foreign funded enterprises	57948.8	13.77
Collectively-run and Private	37504.8	10.2
Collectively-run	7521.7	-4.58
Private	29983.2	14.65

Analysis of China short terylene fiber production, sales and storage in Apr. 2007

DATE: 2007/06/26

Affected by a surge in materials' prices and stock shortage, short terylene fiber price began Apr. 1st. bottoming out in China. By the end of Apr., the average price of short terylene fiber in China's markets increased nearly 9.5 percent, or 1020 yuan/ton than previous month. According to statistics from China Textile Circulation Association, the national gross production of short terylene fiber amounted to 157,189 tons (among statistical sample enterprises) in Apr., 35£/816 tons lower than the same period of last year, or 18.55% and 7,921 tons lower than previous month, or 4.79%.

The sales of short terylene fiber in Apr. decreased 3.26 percent, or 5,530 tons, to about 163,915 tons from March. Compared to the same period last year, it decreased 34,108 tons, down 17.22%. In Apr. the stock volume of short terylene fiber was 19.96%, down 17.65% from March. Compared to the same period last year, it increased 2,168 tons, up 7.42%. When it comes to the ratio of output to sales, this month was up 1.65 % over previous month and up 6.75 % over the same period last year.

88.35 Percent of Cotton Textile Output Sold Domestically

DATE: 2007/06/26

Recent analysis by CNTAC of China's total textile and apparel sales revealed that in January through February 2007, 75.16 percent of textile and apparel production sold to domestic buyers. This percentage was up from 73.58 percent during the same period in 2006 and 71.88 percent in 2005. A close examination of sales indicates that a much higher percentage of cotton textile

Source: China Textile Network Company

production was sold to domestic buyers. During the January through February 2007 time period, 89.35 percent of all Chinese cotton textile production was sold to domestic buyers, which was up from 87.19 percent during the same period in 2006 and 85.20 percent in 2005.

Source: globecotnews

The growth rate of textile industry increased 17.3 percent in May

DATE: 2007/06/26

According to National Bureau of Statistics of China, the value-added of the industrial enterprises above designated size (all state-owned enterprises and non-state-owned enterprises with an annual income over 5 million yuan) increase of 18.1 percent in May year-on-year. The sales ratio of industrial products was 98 percent, up by 0.1 percentage point over the same month of last year. The export delivery value of industrial products reached 576 billion yuan, rose by 19.9 percent.

In terms of main sectors, the growth rate of textile industry increased 17.3 percent, that of raw chemical materials industry and chemical products industry, non-metal mineral products industry, smelting and pressing of ferrous metals industry expanded 20.7, 24.7 and 23.5 percent respectively; that of general purpose machinery, transportation equipment manufacturing industry, electrical machinery and equipment jumped by 20.6, 27.1 and 23.5 percent respectively; that of manufacture of communication equipment, computers and other electric equipment increased 13.4 percent; and that of production and supply of electric power and heat power expanded 15.9 percent. From January to May, the accumulated value-added of industrial enterprises above designated size increased 18.1 percent over the same period of the previous year.

The 13th China International Trade Fair for Home Textiles and Accessories will be opening soon

DATE: 2007/06/25

Welcome to visit China International Trade Fair for Home Textiles and Accessories 2007, the 2nd biggest home textiles trade events in the world, one of the most popular home textiles trade events in Asia. The show runs 29-31 August 2007 at the Shanghai New International Expo Centre in China with 88,000 sqm of space. In the show you could meet over 700 exhibitors from 21 countries and regions, including home textile manufacturers and designers, will display: bed , bath ,table and kitchen linens ; wall and window decorations; upholstery fabric and carpets; interior design and textile handicrafts;home textile related products and services ; and home textile design.

The numbers of Overseas participants in 2007 doubled than last year , 110 famous home textile companies from Italy, Japan, Germany, Turkey, UK, USA are paying more attentions to Chinese market , theirs' participation would not only bring the high quality products also bring the new challenge into Chinese domestic market . Exhibitors with products of bed and toweling developed a lot in 2007, large number of domestic famous brand home textiles companies will be on the fair, such as Ningbo Veken Group, Tianxiang Down, LUOLAI, YAFANGTING, FUANA, TANGHUANG, MENGLAN, YUNLONG, YIDA etc .

Intertextile Shanghai Home Textiles will feature two special activities this year , the 2007 China International Home Textiles Design Competition and Seminar" China International Home textiles Trend Forum". Intertextile Shanghai Home Textiles 2007, the place to find what you are looking for! The Show is a major draw for international exhibitors seeking international buyers , it also provides an opportunity to meet high-quality Chinese buyers , today home textiles are taking an important position in Chinese homes and hotels, many exhibitors are looking to Intertextile Shanghai Home Textiles to take advantage of that trend.

Source: ccpittex

Zhejiang Fears over Dropping Export Rebate Rate

DATE: 2007/06/25

Recently, Chinese Government announced that the export rebate rate of 2831 categories accounted for about 37 percent of total export products would be adjusted from July 1. The export rebate rate of clothing will decrease from 13 to 11 percent. Zhejiang province, which is the biggest exporter, will be affected the most. Presently, profit of clothing industry here is about 7 percent, which is feared to see a slump.

The export rebate rate of sewing machinery industry will decrease from 13 to 9 percent. In the first five months of the current fiscal year, Zhejiang province exported US \$108 million worth of textile machines, with a rise rate of 107 percent. The silk industry of Zhejiang province is not much concerned about these export rebate adjustment.

Source: Fibre2fashion

U.S. calls for RMB appreciation an attempt to slow China's expansion

DATE: 2007/06/25

Professor Robert Mundell, widely dubbed "father of the Euro", said here Saturday that constant pressure from the United States on China to appreciate its currency Renminbi can be interpreted as "a move to slow China's expansion". The 1999 Nobel Prize winner for economics made the remarks when he was giving a lecture to a group of Chinese business leaders. According to Mundell, China's current account balance is only a small factor in the U.S. deficit problem. Even though it represents only 10 percent of the U.S. deficit China is being picked on by the United States because "China is a resurgent power."

The economist said China had created a competitive shock in the world economy through its manufacturing successes. As its share of world exports continues to rise, resistance and protectionism have appeared in the West. Commenting on China's contribution to the world economy, he said the fact that China is importing more is helping to stabilize the world economy during the global slowdown and that consumers have benefited enormously from "Made in China" goods. China's economy has some major problems to solve, according to Mundell. He said macroeconomic issues such as exchange rate policy dominate in the short term and, in the medium term, rural poverty and massive migration to the cities have to be carefully managed.

In the long run, China will face a demographic or aging crisis that is the counterpart of its population control

Source: China Textile Network Company

measures, he said. The Nobel prize winner noted that China's future economic growth will be driven by factors such as high savings, strong export growth and foreign direct investment, and adequate foreign reserves. Meanwhile, catch-up technology, increasing imports, the application of the latest technologies and a competent and virtually limitless labor force will also play big roles.

Source: Xinhua