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Performance Fibers Announces Facility Expansions in Germany, China

DATE: 2007/08/10

US-based Performance Fibers has announced plans to expand two plants: its polyester yarn facility in Bad Hersfeld, Germany; and a tire cord facility in Kaiping, China.

The company will invest in spinning machines in early 2008 to increase tie-yarn capacity at Bad Hersfeld by 30 percent. Performance Fibers wants to increase production of these yarns, used in weft-insertion fabrics, to meet strong demand from customers. The growth Bad Hersfeld is the second such expansion since Performance Fibers acquired the business last year. The first growth project, a multi-million dollar investment in draw winder machinery to expand capacity for low-denier industrial yarns, should be complete in July of this year.

"These two recent investments keep our state-of-the-art facility in Bad Hersfeld competitive and meet our customers' needs for these specialized yarns," said Greg Rogowski, president and CEO, Performance Fibers.

For its China facility, the company will acquire machinery to convert its polyester yarns into treated fabrics for radial automotive tire applications. The investment in Kaiping will increase tire cord fabric capacity by 30 percent and is expected to come on line during the third quarter of 2007. This expansion is one in a series of planned expansions in China, which have more than tripled capacity at the plant since early 2004.

"This latest investment shows our ongoing commitment to meeting the strong demands of the Asian tire market that continues to experience double-digit growth," Rogowski said. "As we have previously announced, additional expansions are planned into the future."

Source: *Textileworld*

Anhui Yields Set to Decline

DATE: 2007/08/09

Anhui is a relative small cotton-producing province by China's standards, with 2006/07 output reaching 360,000 tons. Optimism over this year's cotton crop is fading fast as unwelcome rain continues to move through much of the cotton belt. Many areas of the cotton belt experienced excessive rain during the squaring period, which resulted in less buds and bolls and more branches and leaves. Overall, yields are now expected to fall below last season.

Approximately one-fourth of the provincial acreage has reported a light bollworm outbreak, with over 50 percent of the acreage being treated for leaf mite. Plant bugs are the most serious problem, with growers reported to be treating 266,666 hectares out of approximately 391,333 hectares of planted acreage. Cotton wilt is now another issue. Most of these problems are associated with the excessive moisture.

Source: Globecot

Domestic Exports of Apparel Industry Plunge in second quarter in Hong Kong

DATE: 2007/08/08

In the second quarter of 2007, the value of domestic exports classified to the five major industries of textiles; wearing apparel; chemicals and chemical products; and machinery, equipment, apparatus, parts and components together accounted for 70% of Hong Kong's total domestic exports, according to statistics released August 7 by the Census and Statistics Department.

In the second quarter of 2007, the value of domestic exports classified to the wearing apparel industry fell significantly by \$2.5 billion or 40.5% to \$3.7 billion compared with the same quarter in 2006, that to the machinery, equipment, apparatus, parts and components industry by \$1.6 billion or 36.8% to \$2.7 billion, and that to the textiles industry by \$2.4 billion or 27.6% to \$6.3 billion. On the other hand, the value of domestic exports classified to the chemicals and chemical products industry increased by \$0.8 billion or 40.7% over a year earlier to \$2.8 billion.

As for other manufacturing industries, a notable increase was registered for the value of domestic exports classified to the basic metals and fabricated metal products industry, by \$0.7 billion or 43.3% over a year earlier to \$2.2 billion in the second quarter of 2007.

The above statistics of domestic exports classified by industrial origin are derived by re-grouping the merchandise domestic export items originally grouped under the external trade classification system according to the industries in which these merchandise items are normally produced. Transactions in gold and specie are not included.

The industrial classification used is the Hong Kong Standard Industrial Classification (HSIC). The HSIC is to be distinguished from the United Nations Standard International Trade Classification (SITC) used in the regular trade statistics reports. In comparison, the HSIC is more related to production processes whereas the SITC is more geared to end uses of products. Caution should be taken when referring to these domestic export statistics classified by industrial origin. There may be several intermediate processing stages in the production of certain merchandise domestic export items. In compiling the above statistics, the total value of such an item has however been wholly

Source: China Textile Network Company

related to the industry in which the item is finally produced. The above domestic export statistics of a particular industry may include secondary products which are produced by establishments of other industries.

Source: Census and Statistics Department

Trade Department to Introduce Tariff Quota Limit on Wool

DATE: 2007/08/08

The Trade Department recently announced to carry out “Tariff Quota Limit” on wool, which will have a huge effect on producers of Australia, local wool processing enterprises as well as globally.

Brian van Rooyen, Vice-Chairman, Australia Wool Innovation Company said that the manufacturers and retailers of Europe, America and Japan are highly dependent on China for processing of wool. In recent years, the trade relationships between the two countries have grown up especially, in the woolen sector. introduction of “Tariff Quota Limit” is feared to threaten the trade relation between the two countries. Now it becomes a priority for Australian wool and Chinese processing industry to protect their trade relations and strengthen the global wool textile market.

Around 70 percent of the raw wool imported by China is from Australia. At the same time, China accounts for 65 percent of Australia’s entire wool exports. At present, Australian Embassy and Free Trade Association for Wool Industry are trying to solve this problem. Chinese enterprises insist that this “Tariff Quota Limit” must be implemented in order to stabilize the market.

Source: Fibre2fashion

Alco Chemical Announces Price Increase

DATE: 2007/08/08

Effective August 20 or as contracts allow, Chattanooga-based Alco Chemical, a National Starch and Chemical company, will raise the price in the United States and Canada of its aqueous polymer and rheology modifier products by 5 to 8 percent. Alco Chemical attributes the increase to rising caustic, energy and monomer costs.

Source:Textileworld

SIGL - Direct Import Goods Report

DATE: 2007/08/08

Supplier Country	Category	Year	Quota Lvl	Working Lvl	MS Licensed	MS Pending	MS%QL Used	MS%WL Used	SC Licensed	SC%WL Used
China (720)	2	07	70.636.000	70.636.000	28.571.648	0	40.45	40.45	35.525.127	50.29
China (720)	4	07	595.624.000	595.624.000	294.729.824	0	49.48	49.48	350.324.057	58.82
China (720)	4C	07	49.635.333	49.635.333	27.284.107	0	54.97	54.97	32.866.447	66.22
China (720)	5	07	220.054.000	220.054.000	123.110.555	0	55.95	55.95	157.923.411	71.77
China (720)	6	07	388.528.000	388.528.000	227.110.851	0	58.45	58.45	266.816.388	68.67
China (720)	7	07	90.829.000	90.829.000	57.648.523	0	63.47	63.47	66.010.840	72.68
China (720)	20	07	18.518.000	18.518.000	8.020.985	0	43.31	43.31	10.136.868	54.74
China (720)	26	07	29.736.000	29.736.000	21.079.636	0	70.89	70.89	23.886.262	80.33
China (720)	31	07	250.209.000	250.209.000	133.360.347	0	53.30	53.30	159.841.527	63.88
China (720)	39	07	14.862.000	14.862.000	4.313.293	0	29.02	29.02	6.402.213	43.08
China (720)	Silk/Rami 115	07	5.347.000	5.347.000	3.124.469	0	58.43	58.43	3.783.814	70.77

Source: CNTEX

China Quotas - What will Happen from 1 January 2008?

DATE: 2007/08/07

PricewaterhouseCoopers international trade consultant Emma Ormond believes that quotas on imports of garments from China are very unlikely to be extended at the end of the year but the threat of other measures hangs heavy.

Current quotas have restricted the volume of clothing which China can export to the EU since June 2005, when the term "bra wars" was coined, as huge amounts of clothing were stockpiled in ports and warehouses causing a supply-chain headache for UK retailers.

Peter Mandelson, the EU Trade Commissioner, has held a number of meetings in recent weeks regarding the expiry of Chinese textile quotas on 31 December 2007. Although it is early to say, it looks increasingly unlikely that the current quotas will be extended. The Commission still has little

Source: China Textile Network Company

appetite for an extension and, even if it did, agreement would be needed from the Chinese, which is unlikely.

Our understanding is that France has been most vocal in calling for the extension of quotas. Interestingly, a number of the more protectionist member states are thought to have given up calling for an extension, on the grounds that it is a lost cause. However, that has not stopped them piling pressure on the Commission to try to ensure orderly trade when the quotas expire and, to that end, the Commission will introduce a system of monitoring imports from January 2008. The Commission has said that it will give advance notice of the monitoring system and we should have more detail by September.

So what does this all mean going forward? Spring/Summer '08 merchandise shipped in 2007 will still be subject to quota but anything held back until January will not and there is virtually no likelihood of measures in the first half of next year. However, things are a little less certain for Autumn/Winter '08, as it is very likely that the EU industry will call for other trade defence measures, such as anti-dumping duty (which was imposed on leather footwear from China and Vietnam last year). If an anti-dumping investigation was launched later this year or early next, provisional measures could enter force in the second half of next year.

Emma Ormond commented "Although it's early days it seems extremely unlikely that quotas on imports of garments from China will be extended at the end of the year. Clearly, there will be a surge of imports in early 2008 but, in our view, it is unlikely to be as extreme as the "bra wars" scenario in 2005, as costs are higher in China now and many of the importers that were caught out in 2005 have found other sources. Just the threat of measures after the expiration of quotas can be extremely disruptive and the concern is that the rumour mill will work overtime generating information that will be impossible to confirm or deny. There is a possibility that certain product categories could be subject to a form of trade defence instrument. It still seems crazy that, after 13 years in which to prepare for the end of quota, the EU industry should still believe itself justified in seeking protection."

Source: Retail Bulletin