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Textile Prices Weaken in Week Ending October 28, 2007

DATE: 2007/11/02

China's textile prices continue under pressure. As measured by the China Textile Index, which is prepared by the Ministry of Commerce, domestic textile prices declined 1.69 percent during week ending October 28. The weakest sectors were grey fabrics, falling 3.69 percent and apparel fabrics, dropping 2.12 percent. Raw material and home textile prices were only marginally lower, while the accessories index rose 1.00 percent. The new index is published weekly and is now at the lowest level since week ending September 24.

Source: Globecot

Hangzhou ties up with FHGFU to promote designers

DATE: 2007/11/02

Vice Mayor of Hangzhou city and Chairman of the France High-Grade Fashionable Union (FHGFU) had detailed discussions on October 28 over promotion, talent training and other aspects of women silk clothes.

Conclusions at the meet led to the sanctioning of “Agreement of the Strategy Cooperation” that largely covered issues relating to publicity, market tapping and various other features of women silk garment industry of Hangzhou.

In order to achieve these set objectives, the city of Hangzhou is trying hard to establish “China Women Silk Clothes Center”. One of the primary goals is to improve the standards of silk design and in this regard the city has sent eighteen local designers to France, Italy and other countries for training.

This year, Hangzhou Government has introduced special training programs for Chinese women designers and the entire plan is anticipated to cross 40 million yuan in 10 years time.

The training instructions are to be given out by France High-Grade Fashionable Union, who will also welcome Hangzhou designers to participate in the France fashion-dress design competition.

Source: *fibre2fashion*

Children clothing exports disqualified

DATE: 2007/11/01

A firm check on Chinese exports of children clothing in September revealed shocking results. Nearly 22.5 percent of the export was marked as unqualified in the safety items where as another 50 percent were disqualified in the non-stretching section of accessories.

The scrutiny was done by Inspection and Quarantine Bureau of Hangzhou city and key problem areas recognized were shedding and fragmentation of buttons and other garment accessories.

In the first quarter of 2007, American Consumable Security Committee recalled Chinese made children apparels four times whereas last year in the same period, it was revoked only once.

A recall was also announced by EU this year on grounds of inferior quality of materials, bands, zips and buttons. With regard to such frequent call back of Chinese goods from American market, the Inspection and Quarantine Bureau of Hangzhou has urged local manufacturers to carefully check the children clothing goods before exporting.

Source: *fibre2fashion*

Chinese companies strive to restore "made-in-China" image at Canton Fair

DATE: 2007/11/01

Chinese companies have chosen the Canton Fair, China's largest trade show, to restore the battered image of "Made-in-China" after a series of product safety incidents attracted critical headlines across the world this summer.

The fair, which finished on Tuesday in the southern city of Guangzhou, was slated as a "perfect" chance for Chinese companies to restore buyers' confidence after scandals involving the export of lead-contaminated toys, substandard toothpaste and pet foods.

The U.S. toy maker, Mattel Inc., has staged several high-profile recalls of China-made products, 87 percent of which were found to have loose magnets -- a design defect from Mattel itself -- and 13 percent of which contained excessive lead.

"Although Chinese producers are not the only one to be blamed here, We are paying heavy prices. The effect is severe, and serious lessons need to be drawn," said Ju Jianwei, manager of the Jiangsu Overseas Group Co., Ltd, a state-owned trade and investment company in east China.

The Canton Fair gained 37.45 billion U.S. dollars in value of orders placed, a 2.9 percent rise compared with the previous session.

Steve Barek, President and CEO of the Florida-based Micro flock Textile Group Corporation, who had been to 12 sessions of the trade show, said he believed the product safety issues were

Source: China Textile Network Company

sporadic, and most Chinese products are still favored over others for desired quality at the lowest prices.

There was growth in some categories, but noticeably the value of toy orders dropped by 10.7 percent to 900 million U.S. dollars compared with the previous session.

Industry analysts said the drop was mainly attributed to waning confidence in China-made toys. Chinese Customs figures also show September's toy export slipped 2.88 percent from August.

"We are trying to expel doubts and fears. We are doing more now, with tougher material control and stricter standard manufacturing procedures and more tests," said Zhang Chenhua, deputy general manager of Goodlin Toys Co., Ltd, a Shanghai-based toy exporter.

"At the same time, foreign technological standards are getting higher and more stringent. We really need to gear up for that and prove to the world that we are responsible companies and our products are still reliable," Zhang said.

Like Zhang, many Chinese companies are seeking to walk out of the shadows cast by the spate of product safety incidents.

"The recent food safety scare brought a lot of pressure, but we are doing everything to make sure no hitches happen to our products," said Zhang Jin, deputy general manager of Jiangsu Cereals, Oils and Foodstuffs Import and Export Group Corp, at the fair.

Zhang said his company had just got a "sizeable" order with a British supermarket at the fair, and that proves "we have been doing the right thing".

The trade show itself has also been tougher on product quality rules for participants, vowing to kick out or even revoke participation qualifications for companies found with product quality glitches.

Chinese government has committed itself to better product safety. It introduced a landmark recall system this summer, launched a four-month-long nationwide product quality campaign, and offered intensive training courses to domestic toy manufacturers.

Deng Xuqi, deputy director of the Guangdong Provincial Quarantine and Inspection Bureau, announced on Wednesday that the province has just wound up a month-long campaign specifically targeted on toys and food for exports.

Guangdong alone manufactures about 70 percent of the total Chinese toys made for export.

A 100-member team dispatched by the bureau discovered problems including substandard paint and loose parts in toys, after inspecting more than 2,000 local exporters.

The bureau said it has withdrawn production licenses from 423 toy makers, suspended the licenses of 341 toy companies, and ordered 690 others to improve their working practices.

Meanwhile, the bureau revoked the licenses of 160 food suppliers and exporters in the province. About 200 others have been ordered to suspend operation until they have cleaned up their act.

Source: Xinhua

Vice Minister Gao answers questions on textile trade

DATE: 2007/11/01

Q: China has currently become the world biggest textile exporter. Would you please make a briefing on China's current textile trade?

A: China's Textile industry is a key traditional industry. At present, China has become the biggest textile exporter in the world. China's textile export keeps increasing steadily since 2006. It has a large amount of export with steady growth that the export in 2006 amounted to 143.99 billion USD, up by 25.2% y-o-y, accounting for 25% of world textile trade, ranking first. In the first 8 months of 2007, China remains the biggest exporter with stable export growth. The export totaled 108.98 billion USD, up by 19.2%. China slows down export to major market and the market share gradually expands. As optimizing product structure, the price improved steadily.

With the development of China's textile industry, the market is opened to all regions and brings them opportunity. China's textile development leads to importing of raw material and textile machines, drives import of apparel, encourages foreign investment as well. According to MOFCOM's statistics, by the end of 2006, foreign invested textile enterprises totaled 39,929, with 4.31 billion contractual investments. According to China's Custom, by the end of 2006, export by foreign enterprises reached to 46.99 billion USD, up by 19.1% y-o-y, which accounted for 32.6% of China's export textile, with 5 percentage points increase than that in 2005.

Q: World textile trade system changed in 2005, China's textile export was menaced by trade protection. But why it develops fast free from impact?

A: Since the integration of world textile trade, growth potential of some China's textile product released in a short time by abolishing textile quota. Some regions like Europe and USA worried about China's huge export potential, so that carried out frequently series of trade remedy measures targeting on China's textile, which not only causing big difficulty on China's whole textile export, but also effecting trading environment after integration. Under such hard situation, China and Europe took the lead in signing memorandum of understanding on textile trade through arduous negotiation in 2005, which in turn settled down textile trade friction, eased other developing countries' attention on textile issue, as well as set up a successful model for solving textile problem between China and major textile import country and region. China and USA reached to a consensus and signed MOU later. These MOUs created a stable foreseeable trading environment for enterprises and contributed to the steady transition of world textile trade integration.

Generally speaking, China has benefited from the integration, although MOU restrains export quantity of some textile product.

During the enforcement of MOU, China's textile export to Europe and USA steadily grows, product structure keeps optimizing and its share and price in export market improves step by step. China's export to EU amounted to 18.32 billion USD in 2005, and jumped to 22.31 billion USD in 2006, up by 21.8%. China's market share reached 33% in EU import market, 12 percentage points higher than that in quota time, out of which ten products in the MOU took 23% share, 15 percentage points higher than before. It proves that few textiles' stable development under MOU provides a steady foreseeable growing environment for China's whole textile export. It takes account the interest of all sides and brings a favorable effect to China-EU textile's healthy growth.

Q: China is not the only country benefited from textile trade liberation. Does China's increasing textile export harm the other country?

A: China is not the only beneficiary from textile trade liberation and China's textile export growth

Source: China Textile Network Company

does not rely on occupying shares of other country. Textile trade liberation benefits world textile trade development and major textile export countries all enjoyed such benefit. According to WTO's statistics, among top 15 countries and regions of textile export in 2005, 14 has achieved growth (4-21%) in different degree. As textile import grows in developed countries, its own industry develops good after adapting to the integration. EU's textile export increased 6% in 2006. Major EU members taking textile industry as the supporting industry obtains steady growth. China's textile industry's development drives import of fabric, cotton and textile machine. China imported 18.1 billion USD of textile and apparel in 2006, up by 6% y-o-y and imported 4 billion USD of textile machine, up by 52.3%. Importer, wholesaler and retailer, named brand owner and logistics industry are all benefited from China's textile export growth. Furthermore, fine cheap textile goods are provided to consumers in developed country, especially to low and medium income family.

On the whole, textile trade liberation brings benefit to long term development of textile. All regions enjoy the international division of work. It makes for the proper world resource allocation and brings mutual beneficial and win-win situation to all countries.

Q: According to Sino-EU MOU on Textiles, bilateral textile quantity control keeps effective till the end of 2007. Domestic textile export enterprises are all concern about the measures that if MOFCOM will take to stable the export to EU by that time.

A: I understand that high attention is paid to such issue. According to the MOU signed in July 2005, the bilateral quantity control will be ended by the end of 2007. Starting from this year, with the aim of soliciting opinions, MOFCOM holds series of symposiums on the mentioned issue with textile enterprises, experts and scholars and relative departments. Many of them suggest us to take monitoring measures initiatively during the transition period in 2008, so as to maintain stable export to Europe.

On the 22nd session of China-EU economic and trade mixed committee held in Jul 2007, the two parties expressed definitely to scrupulously abide by the MOU, so that bilateral textile trade liberalization could be achieved in time. The two parties should keep dialogue and cooperation in such field and jointly maintain stable trade. In term of the consensus reached on the committee, on September 28, China and EU agree to set up bilateral monitoring system. Based on abolishing all quantity control for export to EU, 8 textile products under MOU catalogue were put into the monitoring system. We shall give export permission to these textile products for one year without quantity control, and take the enterprises operation quality entrance mechanism. The specific quality standard and enterprises coordinated with it will be put forward by textile intermediary institutions.

Textile trade plays the key role in China-EU economic and trade ties. It is significant to maintain the stable trade so as to promote long-term, healthy and sustained development. I hope all textile export enterprises could vigorously respond to the requirement on keeping operation order, regulating export operation, improving export product quality, optimizing export product structure, and jointly keep the stable export in 2008.

Q: What is the challenge confronted by China's textile export and do you have some suggestions?

A: Today's economy goes globalization. The quantity is no longer the goal pursued by China's textile export. We target our developing direction as seizing the opportunity of integration and achieving sustained trade. Though China's textile has gained certain achievement, to be frankly, some weakness shows under the fast development. The product has low additional value and few China's brands. The export market is too concentrative to remain in EU, USA and Japan, which accounts for over 40% of China's textile export. The advantages of labor resource weaken down. We should attach high attention to all these problems and settle down properly.

The goal for China's textile industry is to realize the transition from the big textile country to the

strong one in future. In order to reach the goal, all textile enterprises should strengthen industry structure adjustment, foster their own brand with international influence, vigorously boost internationalized operation, enhance exchange and cooperation with foreign country, and promote quality of human resources.

Textile institutions should fully exert its role as a bridge; vigorously carry out industrial coordination like self-discipline and mutual supervision, which in turn keep the stable and sustained export.

I believe that, under the joint effort takes by enterprises, industrial institutions and government, China's textile export will see a complete, harmonized and sustained development.

Source: MINISTRY OF COMMERCE

Fall/Winter fabric fashion trends issued in Shengze

DATE: 2007/11/01

Shengze town hosted the issuance of '2008/2009 Chinese popular lining' on October 18. Sun Ruizhe, Vice-Chairman of China Textile Industry Association, Xie Min, President, Jiangsu Province Textile Industry Association, China Textile Information Center and more than 140 concerned departments and textile merchants attended the grand meeting.

During this event 2008/2009 fall winter China spinning and weaving lining popular trend was also issued by the National Spinning and Weaving Product Development Center.

Shenze town located in Jiangsu province is famous across the world for its silk products. Around 37 types of fabrics including the pure wool, cotton and kapok fabric blending, polyester, viscose, nylon and flax, manufactured by 27 local textile enterprises were chosen as the fashionable fabrics for 2008/2009 autumn and winter.

The issuance of the fashionable trends of Chinese textile fabric has played an important role for boosting the local enterprises and to understand and sustain the changing scenarios in the domestic and overseas textile markets.

Further, it not only helped in promoting the development of new textile products, but also increasing the status of Shengze town in Chinese textile industry.

Source: fibre2fashion

Chinese investment in ASEAN countries increasing rapidly

DATE: 2007/10/31

More and more Chinese businessmen are launching and expanding their businesses in Southeast Asian countries, counterbalancing previous capital flows in an overwhelmingly single opposite direction, officials and businessmen said at an ongoing exposition.

Mochtar Riady, chairman of Malaysia's renowned Lippo Group, said Chinese businesses have accumulated an abundance of capital in the economic boom over the past 30 years, leading to a strong desire to invest overseas, while some member states of the Association of Southeast Asian

Source: China Textile Network Company

Nations (ASEAN) wanted investment, especially in infrastructure projects.

The ASEAN would be "the main destination of China's growing overseas investment in future", the Chinese-Indonesian billionaire said at the China-ASEAN Expo in Nanning, which is due to close Wednesday.

ASEAN member states have invested a total of 41.9 billion U.S. dollars in China since the country began its reform and open-up drive in late 1978, according to statistics from the Chinese Ministry of Commerce.

With China's fast development, Chinese investment in ASEAN countries increased rapidly in recent years. In a single move at the exposition, China's Guangxi State Farms Group alone inked 42 investment projects with ASEAN enterprises, involving a total value of 19 billion yuan (2.5 billion U.S. dollars).

So far more than 1,000 Chinese companies have made investment in ASEAN member countries, mainly in the sectors such as agriculture, manufacturing, mining, tourism, electricity and infrastructure construction.

In the first two days of the China-ASEAN Expo which opened on Sunday, businesses from the two sides reached agreements on 92 projects. Under the pacts, Chinese companies will invest 1.19 billion U.S. dollars in 37 projects in ASEAN countries, while ASEAN businesses will put 2.81 billion U.S. dollars in the other 55 projects in China.

"Capital flow in both directions, rather than the previous single-direction movement, has emerged as a new trend within the China-ASEAN cooperation," said Zhang Jian, a professor of China-ASEAN study at Guangxi Normal University.

China and ASEAN countries have been pushing hard for the birth of the world's most populous free trade area in the region targeted for 2010.

Chinese Vice Premier Zeng Peiyan has called on the two sides to expand investment in both directions within the framework of regional cooperation.

China and the ASEAN are in talks over easier access for investors to each other's market, and an agreement is expected as early as next year, a spokesman for China's Ministry of Commerce revealed.

Source: xinhua

Aid For Import-Impacted Workers Gaining Support in US

DATE: 2007/10/31

Government assistance for workers who lose their jobs as a result of import competition is gaining momentum in Congress as the House Ways and Means committee has weighed in with a bill that would liberalize benefits and make access to them easier. Legislation that would expand the federal government's long-standing Trade Adjustment Assistance (TAA) Act was introduced in March by Rep. Robin Hayes, R-N.C., who has been concerned about textile and apparel job losses. While a companion measure was introduced in the Senate by Sen. Elizabeth Dole, R-N.C., no action was taken on either bill.

The new bill, approved by the Ways and Means committee last week by a vote of 26-14, takes a

Source: China Textile Network Company

broader approach than the earlier measures. It would provide adjustment assistance to workers employed by a firm that experiences significant layoffs when there is a connection between the layoffs and import competition or production relocation offshoring.

Under current law, many manufacturing workers are left out of TAA because of restrictive eligibility criteria. For example, workers who lose their jobs because their factory moves to, say, China, may not get TAA benefits because at the present time, such workers must show that the factory relocation will result in increased imports to the United States. If goods are produced by that factory for an overseas market, TAA would not apply.

Under present law, certification for TAA benefits is on a firm-by-firm basis. The new bill would require the secretary of labor to conduct an industry-wide certification investigation when three petitions from firms in the same industry are certified within a six-month period. It also requires the secretary of labor to develop criteria for industry-wide certification. The bill provides for automatic certification of workers from a firm covered by an International Trade Commission finding in an anti-dumping or countervailing duty safeguard proceeding.

The new bill doubles the current job retraining funding cap from \$220 million to \$440 million and permits it to increase to \$660 million by 2010.

In the rush to embrace global trade, American workers have been left by the side of the road, said Rep. Jim McDermott, D-Wash., one of the bill's co-sponsors. It is time to put American workers and their families first, and this legislation puts us on that path.

Source: Textileworld