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Despite Record Inflation, Pressure on Apparel Prices Continues

DATE: 2007/11/16

China's domestic price inflation escalated in October, as the CPI rose 6.5 percent from the previous year, which was up from 6.2 percent in September and matched August CPI growth of 6.5 percent. Again, the price increase was not universal, but heavily concentrated in food. In October, prices increased 55 percent in pork, 30 percent in vegetables and 34 percent in edible oil, while non-food prices only grew 1.1 percent.

As to China's apparel manufacturers, they are still battling for a portion of the booming domestic market by remaining aggressive in pricing. The average October retail price of apparel declined 1.3 percent from a year ago, which was the most significant monthly price reduction since March 2006. Apparel retail prices briefly stabilized during the November 2006 through April 2007 period, before declining under renewed pressure.

Source:globecotnews

Exports to China could reach \$5 billion per annum under FTA

DATE: 2007/11/13

KARACHI: Huge potential exists in bilateral trade between Pakistan and China with the former increasing its exports to the latter to the tune of five billion dollars a year under a Free Trade Agreement (FTA), says a study being conducted by WTO Cell of the Trade Development Authority of Pakistan (TDAP). According to details of the study, expected to be finalised by the end of this month, Pakistan's exports to China amount to only \$460 million and the export base is just confined to four or five items, which makes a big part of total export to the neighbouring country.

Source: China Textile Network Company

Officials in TDAP said the study is being conducted to identify those areas which possess potential for enhancing exports. "It not only deals with increasing the existing exportable items but also focuses on diversification of export base," an official privy to the study pointed out. Officials said that before presenting the study to government, exporters would be taken on board by taking input from them so that their recommendations could be incorporated before finalising the report.

Officials said that great emphasis is being laid on determining the factors that are hindering the export of those items, which are being produced here but China is importing them from other countries on higher rates as compared to the prices of similar Pakistani products. It is actually to know which non-tariff barriers are impeding the export of such items to China, officials added.

Pakistan mainly exports textile, leather, chromites and agriculture products comprising of seafood, fruits and vegetables. "Even the export of these products could be higher and the study is focusing on the issues confronting the growth in export of these products," an official noted.

Study will focus on value and supply chain of these products as what are the weaknesses in country's supply chain system, which make our products uncompetitive in the Chinese market.

When asked if the FTA with China has the potential to increase exports, officials replied that it is a long-term phenomenon and results of it would not come out over night. "We have FTA with Sri Lanka," the officials said, "which came into effect since July 2006 but its benefits are being visible now." "We have reports that Sri Lankan buyers are placing big orders of textile products with Pakistani exporters and you will see a big jump in export to Sri Lanka in the next few months," they said.

It is pertinent to mention here that exports from Pakistan to China has increased marginally over the years and exports to China as a part of total export volume moved up to 3.39 percent in 2006-07 from 2.82 percent in 2005-06. Government estimates suggest that volume of bilateral trade between Pakistan and China will reach \$15 billion mark in the next five years from the existing \$5.2 billion as the FTA took effect from July 2007.

Source: MINISTRY OF COMMERCE

Import and export of China's textile and apparel sees stable growth in Jan-Aug

DATE: 2007/11/12

According to the latest published report of National Development and Reform Commission on Nov 6, China's textile and apparel export from Jan to Aug amounted to USD 111.733 billion, up by 19.46% y-o-y. Due to the drop of export quantity, export growth dropped 5.21 percentage points y-o-y.

In the first 9 months of 2007, import and export of China's textile and apparel increased by 16.94% y-o-y, out of which export up by 24.97% and import up by 1.12%. According to the latest statistics from China Customs, in the first 9 months of 2007, among import and export of China's textile and apparel in conventional trade increased fast, which accounted for 70% of total amount, up by 21.57% y-o-y.

Source: China Textile Network Company

In addition, export of China's textile and apparel and relative products in traditional market keeps growing in the first 9 months. Export to Russia went up by 96%. Export to the top 5 markets like EU, US, Hong Kong, Japan and ROK maintained steady growth. The growth remained over 20% to EU and US and 3%-6% to the others.

Source: MINISTRY OF COMMERCE

Cotton By-Products Move Sharply Higher

DATE: 2007/11/16

China's protein and edible oil markets are "hot", which is a result of a shortfall in the domestic soybean crop and robust demand. China's 2007 domestic soybean production will decline over one million tons below the last official estimate and over four million tons from last year, which has triggered surging prices. The sharp increase in soybean, soybean meal and soybean oil prices has ignited very brisk demand for cottonseed meal and oil, while the brisk offtake of cotton linters was driven by other influences.

In Xinjiang, cotton ginneries are reported to have sold out of their inventories of cottonseed meal, oil and linters. This demand has pushed cottonseed oil prices to 8,800 yuan per ton at the gin, a 100-yuan per ton gain this week. Cotton linters have reached 7,050 yuan per ton for first cut and 6,050 yuan per ton for second cut, and cottonseed meal and oil prices have soared at the Eastern gins as well. In Jiangsu, cottonseed oil prices have rallied 200 yuan per ton.

The sharp rally in by-product prices is now a major driver in seed cotton prices, which have again moved higher. In Shandong's Dezhou district, seed cotton prices for T328 have averaged 6.990 yuan per kilogram, which is up 1.56 yuan per ton or 22.6 percent from a year ago and is now in reach of the record 2003 seed cotton price of over 7.0 yuan per kilogram. So far, this renewed strength in seed cotton prices has squeezed ginneries' profit margins, as lint cotton prices have stagnated, remaining near an average of 13,670 yuan per ton, delivered the mill.

Source: globecotnews

China Revises ELS Standards - Sparks Heated Debate

DATE: 2007/11/16

Up to now, the Chinese domestic market had a "loose" definition as to what qualified as ELS cotton -- the normal definition has been cotton of 35 millimeters and longer. The success in recent years of Xinjiang's PCC farms in improving quality has resulted in increased production of cotton with a staple length of 32, 33, and 34 millimeters, which has become known as "long staple" but still upland cotton. However, China's Fiber Inspection Bureau has redefined ELS production under Classing Standard GB1103-2007 as cotton having a fiber length of 33 millimeters or longer -- under the old standard, ELS was classified as cotton with fiber growth of 35 millimeter or longer. This change has sparked a rather "heated" debate, because it will make

Source: China Textile Network Company

trade more difficult as buyers will now have to seek a full description instead of a standard description. It also has led to an upward revision in China's ELS production. Globecot estimates that long staple production that is now included in ELS production will reach 60,000 tons in 2007.

Source:globecotnews

M&S to open first store in Shanghai

DATE: 2007/11/16

Marks & Spencer, the biggest garments retailer of UK, has planned to open the first department store next year in Shanghai. The company is also looking for the opportunity to open the department store in Beijing city. Marks & Spencer will be the fifth global retail magnate to enter Shanghai city.

A Marks & Spencer official divulged that they would repurchase the shares worthy of one billion pounds and would invest in some new markets like China and India. All the department stores in China would be wholly owned by Marks & Spencer. Many international retailers like SEARS, Marks & Spencer, control their brand stores as it brings bigger profit.

Source:Fibre2fashion

New World To Provide Textile Testing Services

DATE: 2007/11/14

New World Textile Testing Laboratory has opened for business in Fall River, Mass. The company provides abrasion, flammability, colorfastness, xenon-weathering, fabric-appearance, dimensional-change and infrared-reflectance testing services; as well as military testing and Water Vapor Transmission testing, among other specialized tests.

Led by Lab Director Elizabeth Leite, New World can test nearly any textile, and tests are performed to the most up-to-date published AATCC, ASTM, Federal Standard 191A, ISO and JIS standards. It also offers textile manufacturers technical support for a range of textile-related areas.

The idea behind New World came from Edward Ricci II, CEO of Duro Textiles LLC - a technical textile and sourcing solutions provider to customers in the performance apparel, tailored clothing, home textiles and industrial/specialty industries. Ricci wanted to allow customers currently not being serviced by Duro to utilize the company's resources, such as its internal laboratory.

"It was a logical move for Duro to spin off a lab based on its skilled resource pool," said Stephen Bodnar, business development director, New World. "Over many years (actually decades), the laboratories at Duro have evolved from being able to evaluate simple textiles to highly technical military textiles. New World is a spin off capable of performing many of these demanding

Source: China Textile Network Company

military test methods and utilizing this knowledge for high-performance commercial applications. Now customers, from mom and pop to large corporations, can utilize these resources.”

New World operates as an independent subsidiary of Duro Textiles. Its new 62,000-square-foot facility, which took close to a year to complete, was built and furnished with new and existing Duro textile equipment.

Source: Textileworld

Rieter To Acquire Berkol

DATE: 2007/11/14

The Switzerland-based Rieter Group has signed an agreement to purchase Berkol, the textile components business unit of Switzerland-based Huber+Suhner AG, for an undisclosed price, effective Jan. 1, 2008. The acquisition includes the Berkol business, employees and trademark rights. Berkol will be integrated into Switzerland-based Bräcker AG, a company within Rieter’s Textile Systems Division, for the purpose of expanding the division’s technology components product offerings.

Berkol designs and manufactures cots and aprons for spinning machines, and equipment and machinery to service and maintain such components. The business employs 23 people and generates annual sales of approximately 11 million Swiss francs (US\$9.8 million). Bräcker is a manufacturer of ring travelers and spinning rings for ring-spinning machines, and employs some 75 people. The two companies serve the same global market.

Going forward, Huber+Suhner will focus on its core business of providing electrical and optical connectivity solutions. “The sale of the [Berkol] unit to Rieter offers Berkol the best basis for continuing and sustaining its development as part of the core business of a worldwide active, leading Swiss group,” said Urs Kaufmann, CEO, Huber+Suhner.

Source: Textileworld