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China/European Union Relations Continue to Deteriorate

DATE: 2007/12/03

The Chinese yuan has continued to deteriorate against the euro, which has impacted the expansion of its trade deficit with the European Union (EU). This situation has received the attention of EU politicians, who are now calling for a major effort to boost the yuan/euro exchange rate. So far, China has resisted this effort. The EU has also threatened to initiate anti-dumping measures against Chinese imports if the yuan continues to lose value against the euro. In a speech this week in Beijing, European Union Trade Commissioner Peter Mandelson took the unusual move of criticizing China.

All the talk has been followed up with action. The European Confederation of Iron and Steel Industries has lodged two official complaints with the European Commission asking it to apply anti-dumping duties on imported steel from China -- duties of 40 percent have been requested. EU imports of finished steel in 2007 from China were estimated at 12 million tons versus 5 million tons in 2006. The fear is that this action could become a test case for adjustments to EU anti-dumping measures. The EU now has 45 days to decide whether to launch an investigation. The Commission may apply provisional duties within a nine-month period -- such action may make it difficult for Chinese textile and apparel exporters to significantly increase shipments when quotas are removed in 2008. The loss of market share in 2007 has already made increasing exports difficult.

Source: *globecotnews*

Goods Council extends compensation negotiations on EC enlargements

DATE: 2007/12/03

The WTO provides that members of a customs union must provide compensation to other WTO members affected by the new tariff structure. If agreement is not found, the affected WTO

Source: China Textile Network Company

member may withdraw substantially equivalent tariff concessions six months after the customs union's new tariffs come into effect. The period for the withdrawal of substantially equivalent concessions related to the EC enlargement of 19 January 2004 to 25 members was further extended until 1 August 2008. The relevant period related to the EC enlargement on 1 January 2007 (Bulgaria and Romania) was extended until 1 July 2008.

Ecuador said it could agree to the EC requests, adding the EC had recognized its supplier's rights with respect to bananas and certain other products. It estimated that the EC needed to compensate it by a total 700 million euros with respect to its banana exports for the EC-25 since 2004.

Trade preferences

The US said it has been consulting with members on issues regarding its requests for waivers on three trade preference agreements (the African Growth and Opportunity Act, the Caribbean Basin Economic Recovery Act, and the Andean Trade Preference Act). It said it hoped to present a positive report to the Council at its next meeting. Paraguay said that it would continue efforts to find a way by which it could join a possible consensus on these waiver request. It said it had been working with the United States on this issue, and that this would be on the agenda of a bilateral meeting scheduled for early next month. Paraguay said that the fact that it has a trade deficit of \$850 million with the United States while the members of the Andean Trade Preference Act continue to enjoy big trade surpluses showed that it had been disadvantaged by its exclusion from this preference agreement.

Textiles

Turkey reiterated its proposal for a work programme on textiles. It said it continued to consult with other members on this issue. Jordan, Honduras and Egypt supported Turkey's proposal. China said its position against the proposal had not changed, and suggested that it was time to stop taking up this item in the Council. India supported China, and suggested this item be taken off the agenda. Thailand and Hong Kong, China also reiterated their objection to the proposal. The Council agreed to revert to this item at its next meeting. The Chairman, Amb. Karsten Vagn Nielsen (Denmark), said he was open to holding consultations should there be an evolution in the positions of delegations.

Transitional review of China

The United States, the European Communities and Japan reiterated concerns about China's measures on trade in goods, in particular about export restrictions on certain raw materials like coke. They also complained that China had not responded adequately to many of their questions they had submitted in transitional reviews conducted in the subsidiary bodies of the Goods Council. China noted that it had submitted updated information regarding its trade in goods, and stressed that it had ensured transparency of its trade measures, including through regular notifications to WTO bodies such as the Market Access Committee. It said that export controls on certain natural resource materials are allowed under the GATT 1994, and that parallel controls had been imposed on domestic companies.

At the end of the meeting, the Council considered the annual reports of its subsidiary bodies, and adopted its own annual report for submission to the General Council.

Source: www.ccct.org.cn

Interstoff Asia Essential for eco-textiles successfully completed in Hongkong

DATE: 2007/12/03

Interstoff Asia Essential is carving a niche for itself as the premium sourcing destination for specialist eco-textiles and functional fabrics. The 2007 autumn fair, which ran from 3 - 5 October at the Hong Kong Convention and Exhibition Centre, showcased a wide range of fabrics made with organic and eco-friendly, natural products, and those with multiple functions and special properties. With approximately half of the 222 exhibitors showing in the categories “eco-textiles” or “functional fabrics”, and a concurrent programme of seminars and presentations providing details on trends, technology and applications, the show was a powerful resource for buyers seeking new and pioneering products available in the world fabric market. Over 8,500 buyers from 55 countries and regions visited the fair.

“Interstoff Asia Essential’s remit covers all types of garment fabrics and accessories. Over the past few years however, a clear trend towards eco-friendliness and functionality has been seen in the fashion world,” says Katy Lam, Director of Trade Fairs for Messe Frankfurt - the show organiser.

“The evolution of Interstoff Asia Essential as a premium sourcing ground for textile buyers with a green conscience has happened fairly quickly, largely due to Hong Kong’s pivotal sourcing and design role for the garment manufacturing industry in Asia. It’s a process we intend to actively cultivate and promote; we believe it is absolutely necessary for the Asian textile industry to have a platform where it can showcase its very best, most specialised and most technologically advanced fabrics. That is what sets Interstoff Asia Essential apart from other fabric shows”.

As part of the fair’s development, two new trend areas, the “21st Century Wardrobe” and the “Eco-Textiles: Fabrics That Care”, were set-up to showcase functional fabrics and eco-textiles respectively. Over 300 fabrics were shown in these special displays in autumn 2007, including eco’ products made from organic cotton, bamboo, soybean, hemp, and milk proteins, and those retaining multiple invisible functions such as protective (against ultra-violet, radiation, electro-magnetism, flame-resistant), hygienic (anti-fungal, anti-microbial, anti-mite), and comforting (cool-feel, moisture transfer, aromatic, thermal, lightweight). Eco-textile exhibitors at the fair could be easily identified by a green or silver leaf logo on their stand; the green logo signifying fabrics made with environmentally-friendly materials, and the silver logo signifying an entirely eco-friendly manufacturing process.

Ms Echo Mok of world-leading cellulose fibre-maker Lenzing AG - the only Interstoff Asia Essential exhibitor to have been given the coveted Silver Leaf logo in recognition of its European Environmental Award - was impressed by the level of interest in environmental issues amongst Asian buyers at the fair. “Lenzing launched its “Botanic Principle” earlier this year in Paris, where it received a great deal of interest. I didn’t expect to see them same here in Asia, but I have been proved wrong. Asian buyers want to know about fair trade, organic products, sustainability - they are keenly interested in these topics which are very current in today’s garment world. It is not really busy here, but in my opinion the visitor traffic level is just right; there is time enough for us to sit with each customer and really explain our products and processes. This show is very valuable for the industry - there is no doubt that Interstoff Asia is still very important.”

Source: *fibre2fashion*

Dyeing & Printing Orgs attend Eco-Protection Meet

DATE: 2007/12/05

China Dyeing and Printing Association hosted Environmental Protection Annual Meeting on November 17 and 18 in the Jiangsu Changzhou. Here, the congress has analyzed situation in the country and the textile industry, as well as concerns like comprehensive energy conservation and discharge amount reduction. Event summarized the development of textile industry in recent years, especially in energy conservation field. Development and Planning Commission, National Environmental protection Bureau, China Textile industry Association participated in the meet. Experts applauded distinctive class of advanced enterprises, and recommended that Printing industry begin to introduce at least the initial measures to conserve energy, which will help it be become forerunner in technology.

Over 300 professionals from several associations, universities, colleges and institutes, the textile equipment production enterprise, the dyestuffs' producers' and auxiliary enterprises, environmental protection authorities attended the event. It was also revealed that 8th China International Exhibition for Dye Industry & Textile Chemical will begin soon!

Source: China Dyeing and Printing Association

Infor to manage Xtep Manage Product Development Cycles

DATE: 2007/12/05

Infor announced that Xtep (Group) Co Ltd, a leading manufacturer and distributor of casual sports apparel, footwear and accessories in China, has gone live with the product lifecycle management solution, Infor PLM Runtime. The solution will enable Xtep to streamline workflow, reduce product development times and increase overall productivity and profit.

The sports apparel and footwear industry is a competitive, fast paced industry where styles and fashions are constantly changing. While globalization and outsourcing are crucial for success and survival, there is also the increasing pressure to reduce time-to-market, from design to production. Deploying systems that support and facilitate collaboration is critical. Infor PLM Runtime helps Xtep meet the challenges of increased competition, shortened product cycles and the need to collaborate with clients and partners.

Infor PLM Runtime allows manufacturers to produce and develop styles throughout the product lifecycle. Central to this process is the Product Data Management (PDM) component of Infor PLM Runtime, which contains detailed information used for pre-production, including comprehensive product descriptions, sketches and technical specifications. The PDM component connects all the processes that are part of the development phase, minimizes manual labor and supplies relevant departments, partners and contractors with detailed real time product information.

"We're impressed by the taskreminder function of the Product Data Management component. Because of this function we are better able to manage Bill of Materials and our product development cycle," said Wang Jiaye, vice president & director of Xtep's Apparel Center. "We also believe that Infor PLM Runtime will enhance our efficiency, competitiveness and

Source: China Textile Network Company

profitability in the near future,” he said.

Infor PLM Runtime delivers tangible business benefits quickly, providing Xtep with a foundation for successful management throughout the product development lifecycle. The key to increasing Xtep’s responsiveness and reducing risk is effective management of new product development and introduction programs for product launches. From knowledge re-use in design to achieving production and quality targets, Infor PLM Runtime is a proven solution for today’s apparel and footwear companies.

Founded in 1998, Xtep (Group) Co Ltd is a leading manufacturer and distributor of sports casual apparel, footwear and accessories in China. The Xtep Group started its apparel headquarters in Quanzhou, Fujian Province, in 2002. Its design and technology team is now over 500-member strong. With 28 subsidiaries present, Xtep’s sales network spreads throughout China.

Infor delivers business-specific software to enterprising organizations. With experience built in, Infor’s solutions enable businesses of all sizes to be more enterprising and adapt to the rapid changes of a global marketplace. With more than 70,000 customers, Infor is changing what businesses expect from an enterprise software provider.

Source: fibre2fashion

Adidas theme campaign for Beijing Olympic Games

DATE: 2007/12/05

Adidas one of the official sponsors of Beijing 2008 Olympic Games, launches a campaign in Beijing city, to chalk out plans for the grand games with a theme “together 2008, impossible is nothing”. Over 1000 people took part in this activity along with dignitaries like Vice Chairman of China State Physical Culture Administration, and the minister of the Market Development Department of China Olympic Games Committee. These people gave a speech here and few famous athletes like HongKun, HuJia also attended the event. This event will last till 2008 Beijing Olympic Games is over. This is considered to be the biggest market activity organized by any famous brands in the local market in the sports history.

Source: Fibre2fashion

Maoren introduces crystal studded innerwear

DATE: 2007/12/03

Recently, Wuhan Maoren Garments Co Ltd introduced the underwear, which was priced at 10000 yuan a piece. The company is manufacturing this kind of innerwear for men and women. Maoren is importing raw materials like the top-grade white fleece from Europe Alps, high-technology fiber the milk silk and the schappe silk for the production of this underwear.

Fleece fabrics have the qualities like colour fastness, fineness, elasticity and can give a feeling of warmth to the wearer. The milk silk made from milk, is a functional fabric which can absorb humidity, and is very soft to touch. The schappe silk a kind of natural protein fiber, is popularly known as “man-made skin”. Besides, Maoren has used pieces of SWAROVSKI crystal in these underwear. In addition, most advanced equipments and technology has been used for manufacturing these innerwear.

Source: China Textile Network Company

Other than innerwear, the company also manufactures a range of knitted garments in terms of underwear, sleepwear, sportswear, casual wear.

source: Fibre2fashion

Chinese Yuan Appreciation Lowering Cost of Imported Cotton

DATE: 2007/12/07

The continued appreciation of the Chinese yuan against the U.S. dollar is increasing the competitiveness of imported cotton -- since July 2005, the yuan has appreciated 10.48 percent against the U.S. dollar. China has indicated that it will allow the yuan to appreciate more rapidly, with daily fluctuations expected to increase from the current .5 percent to .8 - 1.0 percent. This suggests that the yuan could reach 7.1061 by mid-2008 and 6.7326 by the end of 2008.

The continued appreciation of the yuan is lowering the cost of imported cotton. On July 20, 2005, an imported cotton cost of 65 cents was at 14,406 yuan per ton in local cost; by March 20, 2006, that same cotton had only cost 13,975 yuan per ton; and by December 19, 2006, it had dropped to 13,726 yuan per ton. At the current rate of appreciation, by December 19, 2007, it is expected to be worth only 13,352 yuan per ton. If the yuan appreciates to 7.1061 by mid-2008, the price will drop to 13,099 per ton. This suggests an increase in the competitiveness of imported cotton.

Source: Globecot

Fixed Asset Investment in Textiles/Apparel Soar 30.7 Percent

DATE: 2007/12/03

China's overcapacity problem in sectors of the textile and apparel industry is showing no signs of going away anytime soon, and one reason for this is continued investment in new equipment and plants. January through October cumulative fixed asset investment in textiles and apparel reached 182.33 billion yuan (24 billion U.S. dollars), which was up 30.2 percent from last year's record level.

Source: globecotnews