

**EXTRACT**

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**2nd AAC highlights economic prosperity in Asian countries**

DATE: 2007/12/12

The 2nd Asian Apparel Conference was held by the Clothing Manufacturers Association of India in Mumbai from Nov. 22 through to 23, with a theme on "Asia: Moving beyond a Global Apparel Source", highlighting the recent economic prosperity in various Asian countries.

Over 70 internationally renowned industry professionals participated in the event, sharing their knowledge and expertise with fellow industry members.

A Chinese delegation led by Mr. Du Yuzhou, President of China National Garment Association, participated in the Conference. Among them there were Chairman of Hempel International Group Mr. Ko Chi Wai, Chairman of Fujian Septwolves Industry Co, Ltd. Mr. Zhou Shaoxiong and Vice Chairman & General Manager of Glorious Sun Fashion Garment Manufactory (Hong Kong) Ltd. Mr. Yeung Chun Fan. Mr. Du Yuzhou pointed out at the final session that Asian apparel industry has entered a new era when creativeness is required for the upgrade of the whole industry.

Asian countries now need to increase their added value to products through technology, brand and marketing management. He also called for an open market where more communication and trade are encouraged.

*Source: China National Garment Association*

## Textile Prices Continue to Deteriorate

DATE: 2007/12/12

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China's textile prices continued to decline last week as measured by the China Textile Index and subindexes. Overall, the China Textile Price Index declined .96 percent last week to 96.09, following a .11 percent loss the previous week. Raw material prices stabilized, with the raw material subindex up .11 percent, which followed a 1.09 percent decline the previous week. The grey fabric subindex plunged 3.5 percent, the apparel index fell .97 percent and the textile index dropped .12 percent. The accessories subindex increased 1.06 percent, which followed a .68 percent increase the previous week.

Source: *globecotnews*

## Credit Crunch on Mills Set to Worsen

DATE: 2007/12/12

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All across China, private companies are complaining about the difficulties they are having in obtaining the necessary credit lines for normal operations, and this situation is only likely to worsen. On December 8, the Chinese government took new measures to try and slow down investments, as well as the economy. The Central Bank raised its reserve requirement by one full percentage point to 14.5 percent, which was the single largest increase since 2003 and was also the tenth increase for 2007. This action appears to be rather dramatic in the government fight to slow fixed asset investment.

It also appears the Central Bank has requested local and foreign banks to cut their lending. Banks are telling clients not to expect any new credit lines until some time in 2008, are cutting unused credit lines already in place and are asking for early loan repayments in some cases. These conditions are adversely affecting cotton trade and adding to the hand-to-mouth buying strategy now being forced on mills. In addition, this situation is causing further problems in the textile wholesale market, where yarn and fabric prices are also weak. Unsold inventories are a problem. Amid these conditions, mills are seeking creative credit terms from suppliers in both local and imported cotton.

Source: *globecotnews*

## Small Spinners Again Face Depleting Stocks

DATE: 2007/12/10

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Surveys now prove that many of China's small cotton spinners are only maintaining four to seven-day cotton inventories, as tight cash flow and credit are forcing mills to keep bare inventories. This situation is causing them to maintain a hand-to-mouth buying strategy that is keeping them in the market for sizable quantities of cotton.

Larger mills are carrying much greater inventories of near 36 days; however, all mills indicate a very low inventory of high-grade cotton. They are seeking local high grades but are being forced to maintain very tough grading standards due to the poor quality of the 2007 crop. Most mills are paying only 80 percent of the price until they complete their own grading and inspections. Tight credit constraints remain a problem for mills as well.

Source: *Globecot*

Source: China Textile Network Company

## January-August Textile Machinery Imports Hit 3.14 Billion USD

DATE: 2007/12/10

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China's continued record fixed asset investment in the textile and apparel sector has led to 3.14 billion U.S. dollars worth of textile machinery imports during the January through August period. This total reflected 25.5 percent year-on-year growth and an escalation of import growth. The largest block of machinery imports came from foreign-owned mills, which accounted for 1.43 billion U.S. dollars of the import volume. Nearly 80 percent of all imports came from Japan and Europe.

Source: Globecot

## China/India Continue to Expand Viscose Fiber Production

DATE: 2007/12/10

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China's role as the world's largest producer of viscose fiber is continuing to expand, with January through October output soaring 26 percent to 1,454,598 tons. Viscose fiber growth is surpassing that of any other fiber group and is being fueled by very strong demand from the apparel industry. Production of viscose fiber is also expanding in India, the world's second largest producer, with April through September output increasing 25.3 percent from the previous year to 138,230 tons.

Source: Globecot

## Ultra-thin Down Wear Enjoy Great Popularity

DATE: 2007/12/11

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Yesterday, we learned from Yiwu Binwang Market that ultra-thin down coat are sold fast at present because of the cold weather.

You may find that down wear, especially ultra-thin down wear of different styles and brands, have already occupied conspicuous positions in Binwang Market and shopping center which attract nobody's interests not long ago. Some of the stores even set up down wear sales department.

The down wear stores in Binwang Market are crowded with shoppers. What makes the ultra-thin down wear so popular is their warmth capability, chic style, light and comfortable design. "I'm afraid of cold weather in winter, but I don't want to wear too much clothes in consideration of beauty. But ultra-thin down wear keeps me warm and beautiful; therefore, I bought news ones in every year's winter." Miss Lou told us who is buying an ultra-thin down wear.

Source: China Commodities E-City

## Chinese vice premier urges better energy saving

DATE: 2007/12/10

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Chinese Vice Premier Zeng Peiyan on Friday urged to save energy and boost domestic demand amid efforts to achieve a sound and rapid economic growth. Zeng told the national development and reform meeting in Beijing that ministries and local authorities should unveil more measures to better save energy, protect environment, and improve people's livelihood.

He urged the transformation of the growth mode of economy by relying more on domestic demand, self innovation, energy saving and pollution reduction.

The vice premier said ministries and local governments should work out innovative opening-up policies to give full play to the nation's comparative advantage and to balance its international payments. He also called for an improvement in fiscal and tax systems as well as macro-control efforts for a coordinated and sound economic growth.

Ma Kai, head of the National Development and Reform Commission, told the meeting that the nation will strictly control industrial use and exports of grain while expanding imports to prevent a shift from structural price rises to evident inflation. Rising food prices have pushed the increase in China's consumer price index to 6.5 percent in October, matching the 11-year-high in August and well above the 6.2 percent in September.

"We will boost production of necessities, including grain, edible oil, meat and other major agricultural products to ensure market supply," Ma said. Ma also pledged that the government will clamp down on price rigging and offer low-income residents allowances to help offset price rises.

Source: Xinhua

## Global giants on pollution blacklist in China

DATE: 2007/12/14

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Forty multinationals are among some 4,000 firms on an air pollution blacklist released Thursday. Top companies such as Michelin China, Sina-Mars Group APP in China, the joint ventures of Toyota and Ford, and subsidiaries of Sinopec figure on the list of the China Air Pollution Map (<http://air.ipe.org.cn>), compiled by the Beijing-based non-governmental Institute of Public and Environment Affairs (IPEA).

"We started collecting the records of polluters in 2004," said Ma Jun, director of the institute. Besides information about the polluters, the institute's latest database also records air quality and air pollution sources in 150 cities in the southern parts of the country.

Ma said the institute gets polluters' information from local and central environmental protection departments' websites or from news reports. The air pollution map is the second such blacklist launched by the group. The China Water Pollution Map has made public details of about 9,400 water violations since last year, including those involving up to 280 foreign firms.

The water map has led 50 companies, including two local players, to respond; and two have cleared their names so far. To get their names removed from the blacklist, the companies need

Source: China Textile Network Company

to comply with the rules and undergo a third-party audit. Ma expressed the hope that the lists will pressure polluters to make improvements and encourage more people to join in the clean efforts. The blacklisted companies should move to "provide the public with an open explanation and mend their ways," Ma told China Daily. He said the air pollution map is only partial and more information about northern China will be released.

"Access to information is a pre-condition for public participation," said Ma. "And China has progressed in disclosing environmental information."

*Source: chinadaily.com.cn/Agencies*