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WB cuts 2008 China growth forecast to 9.4%

DATE: 2008/04/01

The World Bank (WB) further cut its forecast for China's 2008 economic growth to 9.4 percent in a report released on Tuesday, after an earlier cut to 9.6 percent in February. Louis Kuijs, senior economist of World Bank's Beijing office, said the adjustment was made purely out of concerns over external factors of Chinese economy.

The world economy was slowing down more rapidly in the past two months, which also had a negative impact on the growth of Chinese exports, Louis explained. The bank also attributed its previous cut of China forecast in February to slowing external demand.

In the meantime, Louis said he was still optimistic about the domestic performance of Chinese economy, being confident of expected powerful investment and robust consumption domestically. The latest WB report said despite falling U.S. import growth and rising volatility in global financial markets, China is expected to continue to perform strongly on rising domestic investment and consumption growth. China's economy expanded by 11.4 percent in the whole of 2007, the highest in 13 years, also the fifth year of double digit growth. The report, released under the name of East Asia and Pacific Update, is a six-month review of the region's economies by the World Bank.

Source: Xinhua

China's Textile Industry Plagued by Slim Profits

DATE: 2008/03/31

China's export-oriented textile industry is suffering from low profit margins amid yuan appreciation, China National Textile and Apparel Council (CNTAC) said.

According to CNTAC's latest industry survey, profit margins averaged at 3.9 percent among textile companies last year. Two thirds of the companies surveyed reported an average profit margins of 0.62 percent. The survey, conducted by CNTAC in early March covered textile compa-

Source: China Textile Network Company

nies in six provinces including Jiangsu, Zhejiang and Guangdong, which accounted for 85 percent of China's textile exports. Small and medium-sized companies suffered the most, with some on the brink of break down, said Sun Huaibin, a CNTAC spokesman. Industry experts said the appreciation of Chinese currency and rising costs in both raw materials and labors have squeezed the profit margins.

Fujian Nanfang Co., a state-controlled textile firm in southeastern Fujian Province reported 9.53 million yuan (about 1.36 million U.S. dollars) loss in net profit, according to its 2007 annual report released on Wednesday. According to an estimate by webtextile.com, every rise of one percent in the yuan would cause a 2 to 6 percent drop in textile commodity profit.

The Chinese currency, yuan, has risen about 4 percent against the dollar so far this year, breaking the 7.03 mark against the dollar on Wednesday. Meanwhile, demand remained lukewarm largely because of weakening U.S. and European demand and the severe winter storms. Customer statistics showed that China's textile and garment exports in February dropped 32.9 percent from the previous month.

Source: Xinhua

9 Chinese provinces see GDP exceed 1 tln yuan in 2007

DATE: 2008/04/01

Nine Chinese provincial-level regions saw their GDP exceed one trillion yuan (141 billion U.S. dollars) last year, with growth rates much higher than the national average, according to local government reports to the country's top statistics agency. The nine regions, including eight provinces and Shanghai, accounted for 66 percent of China's GDP last year, according to Xinhua calculations based on figures on the website of the National Bureau of Statistics (NBS). China's GDP reached 24.67 trillion yuan in 2007, up 11.4 percent from the previous year. It was the fifth consecutive year that its economy recorded double-digit growth.

The northeastern Liaoning and southwestern Sichuan broke the one-trillion-yuan mark for the first time last year. Both provinces posted economic growth of more than 14 percent in their reports to the NBS. South China's Guangdong remained the country's largest provincial economy. Its GDP rose 14.5 percent to 3.07 trillion yuan last year, about 12.4 percent of the national total. Guangdong was the only provincial economy above 1 trillion yuan in 2001. The eastern coastal provinces of Shandong and Jiangsu followed, with their GDP figures both above 2.5 trillion yuan and growth rates above 14 percent. The eastern Zhejiang province and Shanghai, and northern Henan and Hebei are also in the top nine.

Beijing, the southern Fujian and central Hubei and Hunan economies all surpassed 900 billion yuan last year, with growth rates between 12.3 percent and 15.1 percent. The four will break the one-trillion-yuan mark in 2008 if the current growth trend continues. Beijing has maintained double-digit growth for nine years in a row. Inner Mongolia's economy reported the fastest economic growth last year, at 19 percent, followed by Jilin, at 16.1 percent.

Figures of provincial-level cities Tianjin and Chongqing are still unavailable on the NBS website. Neither of the two economies was above 450 billion yuan in 2006. In August, a huge disparity between China's national and local economic figures for the first half of last year was reported. China's provincial-level economies totaled 11.92 trillion yuan in the first six months of 2007, or 1.24 trillion yuan more than the figures provided by the central government. Regional economic

cooperation resulted in local governments repeating calculations by counting mutual investment and trade into their own GDP, said Zhao Yanyun, associate professor with the Renmin University of China.

Also to blame, however, is a system that has made the pursuit of economic growth the top criteria for provincial-level governments and officials, some critics argue. Despite double-digit economic growth for five consecutive years, the central government planned to lower the rate to eight percent in 2007 and 2008, urging local officials to check excessive growth and pay more attention to the environment.

Source: Xinhua

“Hempel Award” the 16th China International Young Fashion Designers Contest

DATE: 2008/04/02

China International Young Fashion Designers Contest, organized by China Fashion Association since 1993, has attracted almost 30 thousands young fashion designers over 40 countries and regions to be in the contest. Until now, the contest has successively held for 15 years successfully. In these many years, the contest has not only promoted international cooperation and cultural exchange, but also achieved a great number of excellent fashion designers for the update of fashion industry and brand development.

2008, is the historic year for China. Owing to China opening reform, we have gained the great achievement in economic development during the past thirty years and the host of Beijing Olympic Games greatly shows the art charm of Chinese culture and the transfer of textile and fashion industry mode. By this good chance, “Hempel Award” the 16th China International Young Fashion Designers Contest with the theme of Chinese Characters Art, fully prepares the stage for young fashion designers from all over the world to show their art talent and culture background to deepen the understanding of Chinese culture for the foreign fashion designers.

Since the beginning of the 16th “Hempel Award” Contest, the Organizing Committee has received 1656 pieces of illustrations from 23 countries and regions and they are China, Japan, Korea, Singapore, Indonesia, Finland, Norway, Germany, Switzerland, Austria, Czechoslovakia, France, Portugal, Italy, Spain, Yugoslavia, Bosnia, Russia, Croatia, Australia, New Zealand and Morocco. Ancient Chinese characters art brings unlimited inspiration for young fashion designers; some takes inspiration from Chinese Calligraphy, some from Chinese characters art framework, some from good meaning of Chinese characters and some from hieroglyph and inscriptions on bronze. No matter what kind of inspiration, it tells the cultural combination of the ancient and the modern, as well as the eastern and the western. After the judges’ serious evaluation, 30 contestants from 18 countries and regions have entitled to the finals in Beijing Hotel on March 25, 2008, which unveils the Opening Ceremony of China Fashion Week A/W Collections 08/09.

As the important part for China Fashion Week, “Hempel Award” the 16th China International Young Fashion Designers Contest Organizing Committee invites excellent fashion experts and designers from world famous fashion institutes to act as judges and they are Prof. Giovanni Di Pasquale, Director of International Academy of Fashion, Arts & Costume KOEFIA; Ms. Yvonne Trew, Program Leader of MA Fashion Future in Nottingham Trent University; Ms. Silvia Kadolsky, Dean of ESMOD Berlin-Munich, Germany; Ms. Leena Kaarina Juntunen, Fashion Designer and Principal Lecturer in Fashion Design of Institute of Art and Design, EVTEK University of Applied Sciences; Ms. Jill Phillips, Technical Director of Whitehouse Institute of Design; Ms.

Source: China Textile Network Company

Omura Kyoko, Professor of Bunka Fashion College, Ms. Kwang Sook Sung, Associate Professor of Department of Fashion Design in Tongmyong University etc.

Source: CNTEX

Improved Conditions Reported at Shaanxi Mills

DATE: 2008/04/03

Mills surveyed in the Xian area of Shaanxi Province have reported improved conditions. The medium and large-sized cotton spinners and weavers report daily sales of yarn and fabric are running at 90 to 95 percent of output, which has enabled the volume of unsold stocks to be reduced since February. Improved conditions regarding payment of drafts have also occurred; however, mills still report very tight credit restrictions, which is impacting cash flow.

Mill stocks of cotton now appear to be approximately 23 days of use; this is down from 30 days in February. The hand-to-mouth buying is continuing in cotton and man-made fibers as well. Mills in the area use a certain volume of domestic ELS cotton and report the availability of very aggressive offers substantially discounted below PCC offering price levels.

Source: globecotnews

Cottonseed Oil Prices Collapse

DATE: 2008/04/03

China's cotton ginners have largely pulled out of buying additional seed cotton or have significantly reduced the purchase price due to a sharp collapse in cottonseed oil prices over the past week. Cottonseed oil prices have fallen by 600 to 1,000 yuan per ton (5 to 7 percent decline) since March 26, alone, which has been linked to a major decline in all edible oils. This situation has had a major impact all cotton ginners and crushers.

Source: Globecotnews

Open-End Spinning Conditions Improve

DATE: 2008/04/03

Chinese spinners are reporting improved conditions in open-end yarns, after having experienced a major downturn in recent months. Increased cotton consumption is being noted among open-end spinners. This has expanded offtake of local low-grade cotton and improved demand for Grade 1 cotton linters, which is used to mix with low-grade cotton. Increased demand from open-end spinners has restored the premium of Grade 1 linters over Grade 2 linters, which is used principally in paper pulp production.

Source: globecotnews

Performance Fibers intends to idle production at two Alabama plants

DATE: 2008/03/31

Performance Fibers Holdings Inc announced that it intends to idle all manufacturing at its Winfield and Scottsboro, Ala. plants, based on reduced demand from U.S. tire customers, combined with increasingly competitive industry and economic conditions. The planned action will idle polyester-fabric converting operations in Winfield, affecting about 100 employees, and fabric dipping operations in Scottsboro, impacting about 40 employees. The exact timing for the idling will depend on the transition period necessary to meet customers' needs.

The decision to idle its full manufacturing operations at these two plants was caused by a number of factors, including lower consumer demand for automobiles, global competition, and higher raw material and operating costs over the last three years. These factors, combined with the restructuring activities of key tire customers in North America, have resulted in lower overall demand for tires.

"Extremely challenging industry and economic conditions have prevented the plants from being fully utilized since we acquired them in 2005," said Performance Fibers' CEO Gregory S. Rogowski. "Reduced demand now makes it necessary for us to take these difficult actions to remain globally competitive as a company."

"We deeply regret the impact this difficult decision will have on the Scottsboro and Winfield workforce, their families and their communities. As always, we are committed to treating all employees with respect and fairness, and we will work to make this transition as smooth as possible for affected employees," Rogowski continued. Similar conditions made it necessary for Performance Fibers to idle its polyester fiber production at Scottsboro in 2006, while maintaining a scaled-back fabric dipping operation.

Performance Fibers has been taking steps to improve its competitiveness in the North American region, where the competitive environment is particularly challenging with the entrance of low-cost suppliers from Asia and other parts of the world. Performance Fibers has given a 60-day notice to affected Winfield employees, appropriate officials, and government agencies under the U.S. Department of Labor's Worker Adjustment and Retraining Notification (WARN) Act, which will make training and other assistance available to them. The company also has requested government assistance for Scottsboro employees not covered by WARN due to the size of the workforce. In addition, Performance Fibers will honor the contract requirements of unionized employees covered by bargaining agreements at Scottsboro and provide applicable benefits and assistance for Winfield employees.

Source: Performance Fibers Holdings Inc.