

**EXTRACT**

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**Strong participation from European machinery manufacturers  
at ITMA ASIA + CITME 2008**

DATE: 2008/04/10

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Overseas exhibitors from the CEMATEX countries and Japan will present a powerful display of latest textile manufacturing technology at ITMA ASIA + CITME 2008 in July. With all 126,500 sq. metres of stand space now fully booked, the exhibition, to be held from July 27 to 31, is guaranteed to be China's biggest-ever textile machinery show.

Chinese machinery producers will, naturally, provide the largest national group of exhibitors at ITMA ASIA + CITME 2008, but the full participation of companies from both Europe and Japan will ensure that visitors will be offered a truly global perspective on technical innovations across the entire processing sequence, from fibre to finished fabric.

Breaking new ground as the first combined show – uniting the global ITMA brand with the leading Chinese exhibition – the 2008 edition of ITMA ASIA + CITME 2008 clearly has a unique and unrivalled appeal for both visitors and exhibitors. It is now part of a cycle of worldwide events that includes the four-yearly ITMA shows in Europe, and follows on from the previous ITMA ASIA events in Singapore in 2001 and 2005, and the series of 10 CITME shows held in Beijing, most recently in 2006.

CEMATEX, the European committee of textile machinery manufacturers, owns the ITMA name, and represents nine national associations in Belgium, France, Germany, Italy, Netherlands, Spain, Sweden, Switzerland and the UK. The biggest names from each of these countries will be among a substantial European presence in Shanghai. Says CEMATEX Secretary General Maria Avery: "European machinery manufacturers are acknowledged as the major players in driving technical innovation in textile production methods. Their depth of know-how, commitment to R&D and attention to quality in both equipment and end-product are well-deserved, and these characteristics make their exhibits the star attractions at any major show." We are confident that, at ITMA ASIA + CITME 2008,

visitors will see many exciting new developments in fibre and yarn production, weaving, knitting and finishing -- not forgetting the vital contribution made by ancillary equipment such as testing and quality control systems and automation solutions. "The fact that leading companies from all the CEMATEX member countries have eagerly snapped up available space in Shanghai underlines their belief in the importance of the Asian and Chinese markets and signals that there will be an impressive display of technology at the show."

Among CEMATEX countries, Germany will have the largest single contingent at ITMA ASIA + CITME 2008, with net space totalling over 9,100 sq. metres, followed by Italy with more than 7,200 sq. metres net, then Switzerland with 5,100 sq. metres net. The show's partner country, Japan, occupies 3,000 sq. metres net. From the host nation, China, there will be a massive display of equipment, covering more than 33,000 sq. metres net.

In terms of major product categories on view, the yarn production and processing (spinning and winding) sector will occupy the largest stand space area, with a total of about 30,000 sq. metres net. Dyeing, finishing and printing machinery will cover more than 18,000 sq. metres net, with weaving machines and knitting and hosiery machines each taking up around 11,000 sq. metres net.

ITMA ASIA + CITME is jointly owned by CEMATEX and a Chinese consortium made up of CCPIT (Sub-council of Textile Industry, China Council for the Promotion of International Trade), CTMA (China Textile Machinery Association), and CIEC (China International Exhibition Centre Group Corporation). The show will take up all 11 halls at the Shanghai New International Expo Centre, which was opened in 2001 in the city's Pudong business district. The halls are laid out in two blocks and the exhibits will be arranged according to the familiar CEMATEX product categories, as follows:

- In the Eastern block, halls E1, E2 and part of hall E3 will accommodate dyeing and finishing machinery and accessories.
- Hall E3 will also feature making-up, testing, dyestuffs and chemicals and software.
- Halls E4 and part of E5 will house knitting and hosiery machinery and accessories.
- Hall E6 and part of E5 will accommodate weaving machinery and accessories.
- In the Western Block, all five halls (W1 to W5) will feature machinery for spinning and winding, with a section of Hall W4 devoted to nonwovens equipment.

Main Entry points to the fair site are located at the North and South ends of the complex, with car parking all around the perimeter. All the halls feature pillar-free, single-storey construction, with all necessary expert services available on-site. A strong visitor promotion campaign is currently underway, with visitors being encouraged to register on-line at [www.itmaasia.com](http://www.itmaasia.com) to take advantage of early-bird ticket price reductions.

Source : [www.itmaasia.com](http://www.itmaasia.com)

## **CNTEX: Technical textiles in China - a good future**

DATE: 2008/04/08

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As China's national economy kept fast yet steady growth in 2006, China industrial textile industry kept fast development also. According to statistic, China industrial textiles total production in 2006 jumped to 4.537 million ton, up 0.8 million ton (24%) from 3.654 million ton in 2005.

### **1. 2006 China industrial textiles production**

Table 1. 2006 China industrial textiles production (Unit: million tons)

Source: China Textile Network Company

Product	Production	Product	Production
skeleton	33,00	protective textiles	14,20
silcloth	85,20	agricultural textiles	10,50
among them: canvas	54,30	filtration textiles	30,10
shoecloth	12,60	architectural textiles	18,10
lightbox cloth	18,30	packing textiles	50,20
leather cloth	42,10	physical textiles	17,80
textiles for fishing	23,00	textiles for national defense	6,00
textiles for transportation	13,20	rope, stripe, cable	16,10
papermaking textiles	1,60	medical textiles	38,00
geosynthetics	12,10	insulated textiles	12,00
felt and tile	10,50	others	20,00
Total		453,70	

## 2. The proportion of industrial textiles

Change in China industrial textiles production and its proportion of total processing volume of fibre since 1988 is as follow:

Table 2. Change in China industrial textiles production and the total processing volume of fibre (Unit: million tons)

Year	Industrial textiles production	the total fibre processing volume	A/B * 100M
1988	53,00	650	8,20
1993	86,00	750	11,50
1997	132,00	1000	13,20
1998	155,50	1050	14,80
2000	173,80	1200	14,50
2002	208,10	1700	12,30
2003	261,79	2008	13,00
2004	318,50	2400	13,30
2005	365,40	2620	13,90
2006	453,70		> 14,00

In the table above, the year of 2006 witnessed a fast growing of textile industry. Total processing volume surged and the proportion of industrial textiles was up 24% from previous year. China industrial textiles production reached 4.537 million tons and its proportion of total processing volume of fibre is expected to reach 14%.

As reflected in chart 2 and chart 3, since 1998, China industrial textiles production has been increasing steadily while its proportion of total fibre processing volume experiences fluctuations, i.e. the rate increased in the period of 1988—1998 and decreased since 1998 and hit bottom in 2005 at 12.3%. The fluctuations were apparently fueled by the increase of garment and home textiles production.

### 3. Status quo and prospect of different industrial textiles

#### *Sailcloth*

Sailcloth includes canvas, shoe cloth, light box cloth and etc. which is the most important part in the whole industrial textile industry. At present, we may see that Chinese shoes industry that could produce several billion pairs of shoes is going to climb to the new high level, which will need a huge amount of shoe material over the next few years. Meanwhile, light box cloth has been repeatedly used in recent years. China's light box cloth production is already ranking first in the world. China's total Sailcloth production was 0.852 million tons, up 24.4% over previous year.

#### *Leather cloth*

Manmade leather and synthetic leather also hold big share in the market. The Stat. of China Plastics Processing Industry Association shows that, production of China's manmade leather and synthetic leather amounted 1.3 million tons in 2006, up 14% over previous year, ranking first in the world. Total production of leather cloth reached 0.421 million tons, up 10.2 percent from 0.382 million tons in 2005.

#### *Textiles for transportation*

Good news for Textiles for transportation: Last year, vehicle production in China jumped to 7.25 million units, 1.48 million more than previous year reported. The related textiles for transportation reached 0.132 million tons in 2006 and more than 30,000 tons have been created.

#### *Filtration textiles*

The year of 2006 witnessed a fast growing of filtration textiles, which came in more attention given by Chinese government. Besides, as for cigarette filter, we could also see some impressive numbers out for 2006 cigarette filter production and sales in China, i.e. its production in 2006 grew 12.7% year-on-year to 0.301 million tons.

#### *Architecture textiles*

The extraordinary economic growth in China has opened lots of possibilities for architecture textiles. In the year 2006, the production of China's architecture textiles jumped to 0.181 million tons, up 25% over previous year.

#### *Packing textiles*

Packing textiles grows very fast recently. In the year 2006, the production of China's packing textiles surged 58 percent to 0.5 million tons.

#### *Medical Textiles*

Steady and rapid economic growth has further improved the livelihood while needs are particularly strong in livelihood-related areas such as medical textiles. At present, the production of China's medical textiles amounted to 0.38 million tons, up 18.72% over previous year.

#### *A Well Future*

"The Eleventh Five-Year Plan" has provided important opportunities for the development of China textile industry, and is certainly a second spring for the development of industrial textile industry. However, in the following five years, the development of industrial textile must have its own characteristics. The industrial textile account for a small percentage of all work of the whole textile industry, approximately 13% now, and is expected to reach 17% at the end of the Eleventh Five-Year Plan period. The industry has to make achievement to significantly reduce the increases of energy consumption and reduce the pollution energy consumption during the Eleventh Five-Year Plan period. According to industry characteristic, it will strive to reduce 10%.

Firstly, it will upgrade the equipment and improve the efficiency of energy utilization, achieving the

targets of energy saving. As for non-weave industry, including spun-bond and spun-laced non-woven, in general, its energy consumption of output value increases instead of drop, mainly due to loose management of enterprises' energy consumption and slow advancement of technology. The production of industrial textile has not much pollution for environment while paint coating will lead to some pollution. In the future, the industry will continue to advocate to use green, environmentally friendly products and technology.

Next, improve the added value. Now, many corporations of other sectors have turned their attention to the field of industrial textile sector so it is fair to say that the industrial textile has a well future, but it should improve the added value of products and avoid cut-throat competition.

Besides, support some leading companies. The existing problem in the industry covers an important topic that most enterprises are small-scale enterprises. Chinese enterprises have to upgrade their industrial structure, improve technology and develop high value added products with self-owned brands which will not only help the company to shun the uncertainties resulting from trade protectionism but also led a new way to overseas markets.

Moreover, increase the capacity of science and technology and strengthen the protection and administration of IPR in cooperation and exchange activities. The next two years will be a crucial period for China in implementing the eleventh five-year plan for national economic and social development. During "the Eleventh Five-Year Plan", enterprises should guarantee that the ratio of the funding for science and technology allocated from the financial budget shall obviously exceed 2%-3% of the total financial budget.

Last but not least, increase the budget of breeding talent. Creating a critical mass of young talent including both managerial and technical talent is important in shaping and reinforcing enterprises.

*Source: By Gracie Guo, CNTEX Published by Textile Network magazine (a partner of TA WEEKLY and CNTEX), June, 2007*

## **Chinese textile firms moving to reform amid falling orders**

DATE: 2008/04/07

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Chinese textile firms are facing their most difficult year in 2008, with the appreciating yuan, rising raw material costs and shrinking European and U.S. markets hit by the sub-prime credit crisis.

China exported 16.44 billion U.S. dollars of textile and apparel products in the first two months of 2008, a growth of 5.7 percent over the same period a year earlier. Guangdong Province, the largest textile products export base in the country, exported 3.52 billion U.S. dollars in the period, an unprecedented 11.3 percent fall, according to Guangzhou customs.

Many of the southern province's textile firms have been forced to transit from their labor-intensive model to an innovative, environmentally friendly model and even move their production bases to the inland provinces to cut costs.

"It takes half a year from receiving the order to delivering the goods. The yuan appreciation in the period has consumed much of the profits," said Cai Minqiang, board chairman of Chaozhou-based Guangdong Famory (Group) Co., Ltd., the nation's largest wedding dress producer. "The cost of foreign exchange trading has been raised 20 to 25 percent since 2007 due to the continuous rise in the yuan valuation."

Labor cost has also increased remarkably. The average monthly salary of textile workers in Xiqiao Town of Foshan City, a major textile production base, has reached 1,600 yuan (228 U.S. dollars) to 1,700 yuan, a 20 percent rise year-on-year, said an executive of Guangzhou Huanya Garment Co., Ltd.

The skyrocketing prices of oil and raw materials are another headache. "The wool material price has increased 20 to 30 percent and the coal used in the ironing process increased from 350 yuan to 680 yuan a ton in 2007," said Chen Huiyong, a leading executive of the Moonlight Fashion Co., Ltd. based in Dongguan City of Guangdong.

Stricter environmental protection requirements and an electricity bottleneck have also plagued textile firms. Eight printing and dyeing firms in Foshan were closed last year for not meeting the environmental protection standards. This affected the textile industry chain and thus increased the costs of textile firms, said Chen Shubin, director of Foshan Textile and Clothing Association. In addition, textile firms in the province have only a four-day electricity supply each week due to a power shortage. This has forced the companies to buy diesel generators and thus increased its costs, Chen said. Under such unfavorable circumstances, the textile firms are forced to adapt to the market, standardize their production and develop value-added products to sharpen their edge.

In Xijiao Town, 17 printing and dyeing companies invested a total of 60 million yuan to set up pollutant discharge pipes by the end of February. This had kept the printing and dyeing procession the industry chain and would help the development of the whole industry, said Feng Yongkang, deputy head of the Nanhai District government, Foshan City.

A sense of urgency in the need for change is prevalent among China's textile exporters. Yu Yimin, general manager of Soho International Group, which deals in natural silk fabrics, said his company had developed an obsession with innovation, which it considers the only way to survive.

"Importers would just say 'No way' and walk out if we hinted at a price hike as competition is fierce in China. But if we have something unique, then it strengthens our hand," he said. The relocation of factories to the inland regions of the country, where labor and raw material costs are much lower, were among the textile firms strategy to combat the difficulties.

Zhao Yumin, a research fellow with the Trade and Economic Cooperation Institute under the Ministry of Commerce, said only cost-efficient companies that constantly improved their productivity had a chance of surviving the fierce global competition and growing protectionism. Most of the woollen textile firms in Dongguan still use handlooms, which are low in productivity. Computerized weaving machines imported from Germany and Japan cost a great deal more but their productivity is four times that of the manual handlooms, said Ye Jianhua, Dongguan City Woolen Textile Association deputy secretary-general.

"Importing the highly-efficient machines is just one step to technology innovation. In the long run, investment in technology will pay off," Ye said.

*Source: Xinhua*

## **Half of cotton textile firms want to quit amid rising costs**

DATE: 2008/04/07

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Rising costs and an appreciation of the yuan currency are squeezing Chinese cotton textile companies, making nearly half of them wanting to quit, a new industry survey reveals. The survey, conducted by the China Cotton Textile Association, covered cotton textile companies in 17 provinces. In

Source: China Textile Network Company

total, 49.2 percent of the companies surveyed said they wanted to quit and restart in other businesses. About 27.3 percent said the pressure they felt from the yuan appreciation had become unbearable, while 44.4 percent started selling some export-oriented products on the domestic market.

The companies also cut investment in cotton textiles by an average of 15.5 percent last year because of the yuan appreciation, lowered tax rebates and soaring costs in both labor and raw materials. The companies said they made more investment in the real estate sector, equity markets and other businesses.

A recent survey by the China National Textile and Apparel Council showed the industry's profit margins averaged 3.9 percent last year. Two-thirds of the companies surveyed reported an average profit margin of only 0.62 percent.

*Source: Xinhua*

## **Textile/ Apparel Exports to Europe Increase in February**

DATE: 2008/04/08

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In February, China's textile and apparel exports increased to 10.587 billion U.S. dollars (USD) but was significantly down from the peak amount reached in 2007. An increasing volume of shipments went to Europe, with total exports to European destinations reaching 3.225 billion USD in February, compared to only 4.105 billion USD to Asia and 1.557 billion to the U.S., less than half the dollar volume shipped to Europe. The European market has become more attractive due to the lack of appreciation of the yuan against the euro. China is losing market share in the U.S. to Vietnam, Bangladesh and other locations. Exports were weak, but Japan remained the largest market in Asia during the month, taking 1.354 billion USD worth of shipments. Shipments to Hong Kong totaled 740 million, and 499 million USD worth were exported to the ASEAN trade block.

*Source: Globecotnews*

## **U.S. Cotton Underwear/T-Shirt Import Demand Turns Weak in January 2008**

DATE: 2008/04/08

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U.S. imports of two key cotton apparel products were very weak in January 2008, cotton underwear and t-shirts. Imports of cotton underwear plunged 28.3 percent to 8.980 million square meters, and cotton t-shirts dropped 4.5 percent to 72.485 million square meters, while cotton outerwear imports were flat at 63.505 million square meters.

In cotton outerwear, January imports from Mexico and China sharply declined, while imports from Pakistan were up 34 percent and Vietnam 134.4 percent. Vietnam was the fifth largest supplier of cotton outerwear to the U.S. during the month and has also quickly become a major supplier of cotton t-shirts. In January, cotton t-shirt imports from Vietnam surged 134.3 percent to 3.501 million square meters, pushing Vietnam into position as the eighth largest supplier.

After reviewing January import data for cotton t-shirts, underwear and outerwear, it quite obvious that U.S. retailers are continuing to shift away from Mexico and China and more toward CAFTA, Pakistan and Vietnam suppliers.

*Source: Globecotnews*

## Average Salary Increase of Chinese Urban Workers Rises to Six-Year High

DATE: 2008/04/07

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Sound corporate performances and raised lowest salary levels lifted the average salary of China's employees working in cities and towns approach 25,000 yuan (3,561.3 U.S. dollars) in 2007, up 18.72 percent over the previous year, the biggest rise in the past six years.

According to the year's No. 1 statement released by the National Bureau of Statistics (NBS) on Tuesday, the average salary increase hovered around 14 percent from 2001 to 2006. The 2007 average salary of urban workers was 24,932 yuan and the daily average was 99.31 yuan (14.15 U.S. dollars). Taking into account price rises, the average salary increase hit a six-year-high.

The average salary comprises the basic wage, bonus and all allowances and subsidies. It is often used as a reference by the government for nailing down the lowest salary standards and calculating social insurance premiums. Analysts attributed the rise to strong corporate revenues and raised lowest salary levels across the nation. According to statistics available, large state-owned enterprises chalked up an accumulative profit up to 2.3 trillion yuan (327.6 billion U.S. dollars) from January to November last year, up 36.7 percent over the corresponding period of 2006. Private enterprises enjoyed an even larger profit growth of 50.9 percent.

The average of the nation's lowest salary standards, which vary between provinces, rose by 30 to 64 percent in 2006 from two years earlier. Last year, the average salary in Beijing reached 39,867 yuan (5,679.1 U.S. dollars), trailing those in Shanghai, Guangzhou and Shenzhen which all exceeded 30,000 (4,273.5 U.S. dollars). Salary gaps still existed. In Beijing, people working in industries such as securities, banking and air transport obtained more than 100,000 yuan (14,245 U.S. dollars). While workers in the textile and agriculture industries had less than 20,000 yuan (2,849 U.S. dollars).

Even in the same industry, salaries are widely divergent. For instance, the highest average salary of employees in Beijing's securities companies exceeded one million yuan (142,450 U.S. dollars) while the lowest was less than 40,000 yuan (5,698 U.S. dollars).

Analysts said the nation's average salary pattern among industries was similar to that of developed countries. Transfer of human resources promoted by market forces would help reduce salary gaps but the current corporate governance and personnel management policies had crippled the market's role.

Source: Xinhua

## Nearly 100 suppliers featured at Yarn Expo this month

DATE: 2008/04/07

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Yarn Expo Spring  
China International Trade Fair for Fibres and Yarns  
China World Trade Centre, Beijing  
27 - 29 March 2008

- Nearly 100 suppliers featured at Yarn Expo this month
- Products to run the range of natural, manmade and speciality fibres and yarns

Nearly 100 yarn and fibre suppliers present their products during the three-day specialised trade

Source: China Textile Network Company

event Yarn Expo Spring 2008, running 27 - 29 March 2008 at the China World Trade Centre, Beijing. The show is designed to meet the specialised needs of this upstream segment of the textile supply chain. Suppliers are coming from eight countries and regions.

"This show is an ideal venue for buyers to meet yarn and fibre manufacturers directly and conveniently," says Ms Wendy Wen, Director of Trade Fairs for Messe Frankfurt in Hong Kong. "Companies looking for these products will have easy access to the variety of fibres and yarns available, from cotton yarns to technical products to bamboo and silk fibres."

The show will feature natural, manmade and speciality/fancy fibres and yarns with end uses including knitting, weaving and apparel textiles. The majority of suppliers will feature chemical, and speciality fibres and cotton yarns. The bulk of the products on display will be yarns, with more than 80 exhibitors featuring this product, followed by fibres, with more than 40 exhibitors. These products are used in the apparel, home and hosiery industries.

New this year is a special "Famous Chinese Brands Zone", featuring 18 of China's most famous yarn manufacturers. Several suppliers will unveil new products including innovative cotton blends, metal fibres and bamboo and milk protein fibres.

*Source: The Sub-Council of Textile Industry, CCPIT*

## **Expo to strengthen bi-lateral trade with Ghana**

DATE: 2008/04/07

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In order to strengthen the bi-lateral trade The Ghana Italy Chamber of Commerce in association with the Ministry of Trade and Industry, Ghana Embassy in Italy and the Italian Embassy in Ghana has decided to organize a trade expo in Bergamo, from June 29 to July 2.

Expo will be held under the theme "Strengthening Ghana-Italy relations through trade", where Ghanaian entrepreneurs will showcase their wide range of products including textile, garments, cosmetics and handicraft items to the Italian customers.

According to Gifty Ohene Konadu, Deputy Minister of Trade and Industry, Ghana, even though both the countries enjoy a very cordial trade relation ship, the share of Italy is bigger in terms of value and Ghana still needs to make its presence felt in Italian market. The Deputy Minister hopes that, this imbalance in trade will be bridged in the trade fair as domestic enterprises will get a chance to come face to face with potential customers.

More than 1,000 exhibitors from Togo and Ghana are anticipate to showcase their artifacts and get into business ventures and earn foreign currency to boost the economy of the nations.

*Source: CNTEX*