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2007/08 Cotton Ending Stocks Set to Decline

DATE: 2008/04/30

A true picture of China's cotton stock situation has been very difficult, if not impossible in the past. In this chaotic environment, the National China Cotton Market Monitoring Service (NCMMS), which is part of the Globecot Joint Venture in China, acts the same as the USDA in cotton. The monitoring service began a project several months ago to analyze accurate production levels, stock levels and domestic cotton use. Globecot is now able to make these statistics available to its subscribers; however, a few observations in regard to the statistical data should be noted.

First, there were no surprises in the production levels of 2005/06, 2006/07 or 2007/08. There was, however, a very interesting new supply source that is now being officially included in supply totals, and this new source is recycled cotton and cotton waste. In 2007/08, a total of 948,700 tons of equivalent cotton will be supplied from this source. This category includes cotton yarn recycled from garments, etc and cotton waste imports. 2007/08 supplies of this product are up sharply from 603,600 tons in 2006/07.

Second is the NCMMS prediction that 2007/08 cotton consumption could reach a new record of 12,389,100 tons; however, it does state that if current conditions continue through the remainder of the marketing year, this estimate will have to be further reduced. Nonetheless, the 12.389 million-ton consumption estimate only reflected 6.2 percent year-on-year growth, which is half the level of 2006/07 growth of over 13 percent. Part of this expansion was tied to the fixed asset investment in the sector. While the growth in fixed asset investment has come to a halt, new investment is occurring.

Source: Globecothenews

India Again Dominates March Cotton Imports

DATE: 2008/04/30

China imported 213,221 tons of cotton in March. Indian descriptions accounted for 110,169 tons of the import volume, while the U.S. was the second largest import origin at 67,904 tons. The balance of imports were scattered across a wide cross section of origins.

Source: Globecothenews

Xinjiang Transport Subsidy Details Now Being Released

Source: China Textile Network Company

DATE: 2008/04/30

It has been several months since the Chinese marketplace had expected the release of the special 400-yuan per ton cotton transport subsidy for Xinjiang, but apparently it had been held up as the government worked through the details. Xinjiang cotton companies have now received the government's document translated as "2007 Xinjiang Cotton Warehouse Moving and Transportation Financial Subsidy Method". In preparation of the document, the government had sought input from Xinjiang cotton companies.

The Chinese government is seeking to avoid any issues with a duplication of applications and false reporting and will collect and check all relative invoices and vouchers of Xinjiang cotton being moved from warehouses and transported by rail. Verification of railroad shipping receipts and loading costs will be required, along with delivery vouchers. The government will provide a subsidy of 400 yuan per ton for each ton of Xinjiang cotton shipped east. Through March of this season, 1.845 million tons of Xinjiang cotton has been shipped by rail out of the province.

Source: GlobecoNews

Sowing Advances in Hebei - Excellent Start Noted

DATE: 2008/04/29

Sowing is rapidly advancing in Hebei, one of China's three largest cotton-producing provinces in the North China Plain. Last week's rain was very welcome and saved growers the labor and expense of irrigation. As of April 25, planting had reached 50 percent completion, with sowing expected to be completed this week given the clear, dry conditions now prevailing.

A survey of growers indicates this season's total input costs for planting crops are near 2,900 to 3,000 yuan per hectare, with a sizable portion going toward plowing and sowing, which is estimated at 525 and 225 yuan per hectare, respectively. Local farmers remain very optimistic about 2008/09 seed cotton prices.

Source: GlobecoNews

U.S.-based companies mostly positive about China prospects

DATE: 2008/04/29

The majority of U.S.-based companies are positive about business prospects in China, with 89 percent characterizing their five-year outlook as optimistic or cautiously optimistic, according to a survey released here on Monday by the American Chamber of Commerce.

The findings of the 2008 Business Climate Survey revealed that U.S. companies remained bullish in China as an investment destination, with many planning to expand.

However, despite the positive outlook and improved operating margins, competitive forces and rising costs are increasingly affecting these companies, according to the survey.

While China's continued growth is playing an important role in investment decisions and expansion throughout the country, the rapid growth of the domestic economy has also created a fiercely competitive business environment that is driving significant cost increases, according to the survey. "Accessing the China market continues to be the primary goal and strategy for U.S. companies op-

Source: China Textile Network Company

erating in China," said the survey.

According to the survey, more than half of the respondents have already established a presence in a second- or third-tier city.

The outlook of U.S. businesses in China is tempered by operating challenges, especially shortages of qualified staff and continuing regulatory challenges, such as difficulty in achieving consistency of administration and enforcement.

With rapid economic development and increasing foreign investment, the demand for Chinese managers of international caliber has also increased significantly. In 2007, difficulty in attracting, developing and retaining managers and technical staff, along with increasing salary and wage expenses, remained the top operating challenges for U.S. companies, the survey shows.

According to the survey, the companies continue to see China as a strategically important manufacturing base due to its domestic market potential, but more than two-thirds agreed that China was losing some of its competitive advantage in global markets due to rising costs.

Source: xinhua.

Shanghai opens underground textile and shopping center

DATE: 2008/04/28

Shanghai's largest underground textile and shopping center, covering an area of 57,000 square meters, officially opened yesterday at Pudong's Science and Technology Museum.

The center, named the Shanghai Asia-Pacific Plaza and close to the subway station, contains 1,000 vendor stands.

The stands were relocated from the downtown Xiangyang Clothing Market and markets along the Bund, and were dismantled to make way for municipal projects, said Dai Zhibin, assistant to the plaza's general manager.

Dai said the center, with a total cost of 500 million yuan (\$71.37 million), aims to serve more than 10,000 buyers daily, 70 percent of whom are from overseas, by offering more than 10,000 kinds of clothes, leather, garments and tourism articles.

The center is expected to generate annual sales of 720 million yuan in the first year, which will be doubled in the next three to five years, he said.

Source : China Daily

Increasing production can reduce raw silk imports

DATE: 2008/04/28

India produces about 28 crores of mulberry silkworm eggs per year. This production is met by three agencies namely, Private Licensed Silkworm Seed Producers (LSPs), State Departments of Sericulture (DOSs) and the National Silkworm Seed organisation grainages under the Central Silk Board (CSB).

The share of these agencies during 2006-07 was 74.0 %, 15.4 % and 10.6 %, respectively.

Source: China Textile Network Company

In the private sector, except for a few exceptions, most of the silkworm eggs are produced by the small time entrepreneurs and they have taken up this as one of the occupations to supplement family income.

During XI Five Year Plan, Government of India has given emphasis not only for higher production of silkworm eggs, but also for its quality.

Country needs about 596 lakh bivoltine hybrid seed and 2667 lakh cross-breed seed by the end of XI Five Year Plan (2011-12) to produce 5,000 m.t. of bivoltine raw silk and 18,000 m.t. cross-breed silk respectively.

In order to achieve this, various Schemes under Catalytic Development Programmes have been sanctioned through infrastructure improvement, upgradation of skills through training, etc.

In the present situation, it would be impossible for the Government grainages alone to meet the entire requirement of silkworm eggs and private players necessarily have to play a dominant role in production.

It would also be important that these private players have to take up production of quality bivoltine eggs which are very much necessary for the envisaged production of bivoltine raw silk. This would reduce the import of raw silk by the country and promote indigenous brands of silk.

Central Silk Board (Amendment) Act, 2006 addresses production of quality silkworm seed. It also addresses supply of certified eggs to the farmers; direct linkage between seed cocoon growers and silkworm egg producers; establishment of Seed Testing Laboratories, Seed Certification Centres, etc all aimed towards production of quality silkworm seed.

Source: fibre2fashion