

EXTRACT
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Chinese Premier seeks advice from experts to find correct course for economy

DATE: 2008/11/26

Chinese Premier Wen Jiabao has held in-depth talks with top economists and entrepreneurs to discuss the current economic situation and the country's macro controls amid government efforts to steer the economy out of trouble against a background of global turmoil.

The premier sat down with specialists in a wide range of fields from fiscal policy, finance and the business community to agriculture, real estate and external economy, as well as company heads from big sectors such as petrochemical, telecommunications, auto, steel, nonferrous metal, machinery manufacturing, logistics and real estate, at the Zhongnanhai leadership compound in downtown Beijing on Nov. 20 and again on Nov. 25.

The economists and entrepreneurs gave their views on the current global economic and financial situation, the country's fiscal and monetary policies,

issues concerning rural areas, farmers, and agriculture, real estate sector, financial sector, industrial restructuring, how to improve people's livelihoods, and the difficulties of some sectors and companies, and also offered some suggestions.

After listening to the economists and entrepreneurs, the premier said the complication of the ongoing global economy had brought along new difficulties to framing and adjusting macro policies.

He said it would be difficult to make the right decisions if one was to only "rely on the past experience", or "the wisdom of a few".

He said the government would listen to a wide range of opinions in a bid to become "more scientific and democratic" in decision-making, and improve the transparency of decision-making.



Chinese Premier Wen Jiabao (C) holds in-depth talks with top economists to discuss the current economic situation and the country's macro controls amid government efforts to steer the economy out of trouble against a background of global turmoil in Beijing, capital of China Nov. 20, 2008. The premier held talks with specialists in a wide range of fields at the Zhongnanhai leadership compound in downtown Beijing on Nov. 20 and again on Nov. 25. (Xinhua Photo)

He added the government's earlier decision to adopt "active" fiscal and "moderately active" monetary policies in response to changing economic conditions had played an important role in bolstering the economy.

He asked the State Council and ministries to deliberate on suggestions offered by economists and entrepreneurs for further improvement of macro policies.

Vice premiers Li Keqiang, Hui Liangyu, Zhang Dejiang and Wang Qishan, and State Councilor Ma Kai were also present at the meetings.

Premier Wen and some vice premiers also inspected enterprises in regions across the country, including the eastern Shanghai Municipality and Zhejiang and Fujian provinces and central Hubei Province, during the interval of the two meetings.



Chinese Premier Wen Jiabao (C) holds in-depth talks with entrepreneurs to discuss the current economic situation and the country's macro controls amid government efforts to steer the economy out of trouble against a background of global turmoil in Beijing, capital of China Nov. 25, 2008. The premier held talks with specialists in a wide range of fields at the Zhongnanhai leadership compound in downtown Beijing on Nov. 20 and again on Nov. 25. (Xinhua Photo)

Source: Xinhua

Cotton Imports down as Textiles Demand Slows"

DATE: 2008/11/26

China, the world's largest cotton consumer, reduced imports by 30 percent in October from a year earlier as demand for clothing and textiles slowed, according to China Cotton Association estimates.

It imported 96,200 metric tons, down 30 percent from October 2007, the Beijing-based group said. Imports since the start of the marketing year on September 1 totaled 225,200 tons, down 39 percent from a year earlier, Bloomberg News said.

Textile mills made purchases in a "hand-to-mouth fashion" as exports of textiles and apparel slowed for a third straight month and domestic demand remained weak, said the association, which is made up of farmers, ginners, mills and industry researchers.

Sales of raw cotton were "almost stagnant" in October, as farmers were dissatisfied with prices and ginners were careful with purchases, the association said.

By October 30, farmers sold only 33 percent of the fiber collected since September 1, the start of the harvest season, compared with 57 percent sold a year earlier.

Almost 40 percent of the ginners hadn't started to purchase cotton by the end of last month, and among those who did, about 10 percent shut down as purchasing costs became higher than the price of processed cotton, the association said.

China's cotton crop may total 7.8 million tons this year, the association estimated. It produced 7.62 million tons last year, according to the National Bureau of Statistics.

Source: *Apparel World*

China to remove export quota on cocoons, silk threads

DATE: 2008/11/26

BEIJING – China's Ministry of Commerce (MOC) said here on Thursday the quota on cocoons and certain silk thread products will be removed starting January 1, 2009.

According to a statement on the MOC website, related exporters no longer need to apply for an export quota license when the policy becomes effective.

The 2008 quota was 26,000 tons for silk threads and 300 tons for cocoons.

The move is expected to boost silk and cocoon sales in light of an economic slowdown in the Chinese textile industry.

Source: *China Daily*

India's Cotton exports plunge 95%

DATE: 2008/11/26

Cotton exports have plunged 95 per cent to 75,000 bales between October 1 and November 15, against 20 lakh bales exported in the same period last year, according to Cotton Association of India. Though cotton prices are falling freely in the international markets, the high minimum support price fixed by the Government has protected the farmers even as demand from textile companies remains subdued.

The International Cotton Advisory Committee has projected a 6 per cent decline in global cotton output to 24.7 million tonnes (mt) in 2008-09, which has put pressure on the prices. The weak rupee has enabled India to export a small quantity even as international prices fell sharply, said a trader.

Source: *CNTEX*

Global slowdown has bigger impact on China economy, vice premier says

DATE: 2008/11/25

The spreading global financial crisis and economic slowdown are having bigger negative impact on Chinese economy, vice premier Zhang Dejiang said on a weekend inspection tour to central province of Hubei.

Zhang, who aims to learn about performance of the industrial sector during the trip, urged the local officials to give strong support to key enterprises and sectors and also small and medium-sized enterprises and labor-intensive businesses.

China's annual economic growth rate slowed sharply to 9 percent in the third quarter, from 10.4 percent in the first half, because of slower growth in exports and property investment.

Economic data for October, including industrial output and exports, had showed the economic situations were deteriorating further.

The Chinese government unveiled early the month a 4-trillion-yuan (586 billion U.S. dollars) stimulus package to spur economic growth on rising worries a further slowdown would drive up unemployment rate.

The vice premier also called to adjust industry, products and corporate governance structures to improve the market competitive edge of local businesses.

Zhang, who inspected carmakers, steel, textile, and high-tech companies in cities of Wuhan and Huangshi from Nov. 21 to 24, urged speeding up technological and management innovation to reduce production costs and improve corporate earnings.

Source: Xinhua

China to establish 3-billion-yuan fund for troubled SMEs

DATE: 2008/11/25

The China Association of Small and Medium Enterprises (CASME) has initiated a 3-billion-yuan (439.2 million U.S. dollars) venture investment fund as a step to help the country's SMEs raise capital, the body announced in its website on Monday.

The fund will be established by the end of this year.

Other efforts include the joint issue of an SME corporate bond with the northeastern Liaoning provincial government and the founding of a bank with a planned registered capital of 10 billion yuan, according to CASME.

"Upon its establishment, the bank will provide loans only for the small and medium sized enterprises. Companies may get as much as 5 million yuan each for their investment and development," said CASME head Li Zibin without specifying when the bank would open.

Any industrial company with sales revenue up to 300 million yuan would be eligible for assistance from the fund and the bank, said Li.

Li said difficulty in capital raising as a major threat to the SMEs' survival. Statistics from the National Development and Reform Committee showed 67,000 small and medium sized companies with sales income exceeding 5 million yuan closed down in the first half of 2008 due to the economic slowdown and a tight monetary policy.

Companies were being denied enough money two main reasons: a shrinking loan supply from the banks and rising costs.

China's SMEs contribute 60 percent of the national GDP, while getting less than 25 percent of total bank loans.

"It is obviously out of proportion," said Li.

With demand weakening both at home and abroad amid global financial crisis, however, the country has sought to help its troubled SMEs.

The central bank raised the loan quota of both national and regional commercial banks by 5 and 10 percent respectively in the second half to ease the financial pressures on the private companies.

Premier Wen Jiabao also pledged to attach great importance to the difficulties and challenges the companies faced during an inspection of enterprises in eastern Shanghai and Zhejiang Province from Friday to Sunday.

"More supporting policies should be available to create a sound environment for their development," he said.

Li gave three recommendations for SMEs to help them through the difficult times: ensure capital supply by all means; avoid impulsive expansions and investment regardless of the market situation.

"The fundamental way to survive the severe winter is to enhance capability of innovation and improve company management," he said.

Source: Xinhua

Hong Kong Fashion Week for Fall/Winter from Jan 12

DATE: 2008/11/25

HKTDC Hong Kong Fashion Week for Fall/Winter and HKTDC World Boutique, Hong Kong will be held concurrently from 12-15 January 2009 at Hong Kong Convention and Exhibition Centre.

The continuing success of Hong Kong Fashion Week for Fall/Winter is built on its long history of excellence in organisation and marketing, answering industry needs in a specific and relevant manner. The 40 th edition of the fair is the largest of its kind in Asia, and the second largest in the world.

The 2009 fair is expected to house over 1,500 exhibitors from around the world. A new zone, Fabrics & Yarn, will be set up to focus on the very basics of the garment trade, with fabrics such as cotton, embroidery, novelty and functional fabrics, knitted fabrics, linen, ramie and more.

Popular product zones return: Emporium de Mode (a themed zone dedicated to quality clothing with eye-catching designs); Infant & Children's Wear Zone; Spice Arena (focusing on hats, shoes, scarves and handbags); Fashion Gallery (with high-end fashion from around the world); Garment & Accessories Mart (for volume, mass market merchandise); Body & Intimate Wear Zone; Bridal & Evening Wear Zone.

The 2008 edition of Hong Kong Fashion Week for Fall/Winter attracted 23,700 trade visitors from 100 countries and regions. Among them was Mr Hans Mueller, managing director of Lowes, Australia, who thinks the fair is a one-stop sourcing platform.

"We have been coming to Hong Kong Fashion Week since its inception, looking not only for clothing, but also for shop fittings, lights and display units," said Mr Mueller, "It's the most important fair for us."

To be held concurrently is the 7 th edition of HKTDC World Boutique, Hong Kong, the show which promotes designers' collections and brands from around the world. More than 250 exhibitors are expected to feature brands and designers, ranging from garment collections to fashion accessories, home fashion & lifestyle products, and small gifts.

Latest collections and fashionable products will also be showcased in catwalk parades. The highlight of the fair is the Hong Kong Young Fashion Designers' Contest. Its aim is to cultivate and promote a new generation of young designers, whose ideas will further enhance the image of Hong Kong as a fashion design centre. Finalists' entries in Casual & Jeans-wear, Contemporary Day-wear and Party & Evening-wear categories will be shown in a fashion show during the fair.

Organised by the Hong Kong Trade Development Council, the two events will bring the garment and fashion industry up-to-date with the latest trends.

Source: *Hong Kong Fashion Week*

India's ginnners plan strike against high cotton support price

DATE: 2008/11/21

About 4,000 cotton ginnners across the country may go on an indefinite strike to protest against high cotton minimum support prices for 2008-09 (October-September), Dilip Patel, president, All Gujarat Cotton Ginnners Association said On Thursday.

On September 1, government had announced minimum support price of cotton for 2008-09 at Rs 2,500 a quintal for medium staple variety and Rs 3,000 for long staple variety. Both rates are about 40 per cent higher than the MSPs for the previous year.

About 1,000 ginnners from Gujarat have been on a go-slow stir since November 10 to protest against higher MSPs.

Source: China Textile Network Company

Leaders of seven ginner associations from cotton growing states are slated to meet on Friday at Kadi in Gujarat to discuss a proposal to form a nation-wide ginner association and further course of action, he said.

On November 5, farm minister Sharad Pawar had assured ginner of raw cotton supply through Cotton Corporation of India at Rs 200 a quintal cheaper than the open market price. "Nothing has been done so far in this regard," said Patel.

Source: Apparel World