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Hu Urges Further Reforms to Continue China's Growth

DATE: 2008/12/19

Chinese President Hu Jintao said the world's fourth-largest economy can expand quickly enough for the nation's 1.3 billion people to become wealthy by 2049, in a speech that highlighted the political challenge of China's slowing growth as much as it did 30 years of market reforms.

Amid a list of achievements, Hu acknowledged the difficulties facing China, including lagging productivity and a lack of innovation, and called repeatedly throughout his remarks for greater government accountability and focus on serving the public.

Today's celebration of China's decision to embrace a capitalist economic system coincides with sputtering economic expansion that is a serious concern for a government whose justification for one-party rule is tied to delivering greater prosperity. The \$3.3 trillion economy is 68 times larger than in 1978, when former leader Deng Xiaoping began the reforms.

"China's growth needs the world, while the world can't grow without China," Hu said in a 93-minute speech to Communist Party cadres at the Great Hall of the People in the center of Beijing. "Our development model must be sustainable, our focus must be to lift the standard of living of the people, ensure social equity, stability and harmony."

The government faces a difficult year in 2009 as the global recession deepens and a cooling domestic economy endangers social stability. Growth may slip to 5 percent or less, some economists forecast, before a 4 trillion yuan (\$585 billion) stimulus package can revive expansion.

"Quite Tense"2009

"The year to come is going to be quite tense," said Jean-Philippe Beja, senior researcher at the Paris-based Centre National de la Recherche Scientifique and the French Centre for Studies on Contemporary China in Hong Kong. "If you base your legitimacy on delivering improvements in the economy and in living standards, then when you have an economic slowdown you have a problem."

Imports and exports fell in November, inflation cooled and industrial production grew at the slowest rate since at least 1999. Home sales fell 20.6 percent in the first 11 months while China's benchmark stock index plunged 63 percent this year. Central bank Governor Zhou Xiaochuan said on Dec. 16 that he may add to the steepest interest-rate cuts in 11 years.

“Paradigm Shift”

“Global events and our own domestic troubles demanded a paradigm shift and a transformational rethinking by the Communist Party,” Hu told an audience that included former president Jiang Zemin and former premier Zhu Rongji. “In the past 30 years, we have overcome challenges, from the breakup of the Soviet Union to facing down global sanctions, from the Asian financial crisis to the current global crisis.”

China’s shift to a capitalist system started when Deng approved an experiment that gave peasants the right to farm their own land. The changes initiated by the former revolutionary leader have supported growth averaging 9.9 percent for the past three decades. China became a World Trade Organization member in 2001, helping its economy become the world’s largest exporter of appliances, textile and consumer of raw materials. The nation hosted the Olympic Games in August, sent astronauts into space and is aiming to land a man on the moon by 2020.

Hu today emphasized that citizen’s empowerment is the key to continued development.

“Without democracy, there can be no socialist modernization,” he said. “People’s democratic right to be masters of their own affairs are the essence.”

Unstoppable Expansion

A government exhibition this week in Beijing to mark the 30th anniversary chronicles what had seemed to be an unstoppable economic expansion of the world’s most populous nation.

A 25-meter wall of bar graphs on everything from rural income to currency reserves move in one direction: ever more steeply higher. A room of scale models displays Shanghai’s Pudong district bristling with uber-modern skyscrapers alongside the new development zone in eastern China’s Tianjin, where miniature Airbus SA planes circle a model port. Row after row of factories are blazoned with the names of international companies.

As the economic slowdown intensifies, the focus evidence points to rising social tensions and social instability. Unemployment may reach 9.4 percent by year-end, the state-backed Chinese Academy of Social Sciences said in an annual report this week. The government’s target for urban registered unemployment is 4.5 percent for this year. Labor disputes are on the rise, with local governments in parts of eastern and southern China seeing a tripling of cases, according to the report.

Beja said 2009 will be “a dangerous year” because it marks key moments in a country with a long history, where anniversaries are significant. Next year will be the 20th anniversary of the 1989 Tiananmen Square crackdown on student demonstrators and the 10th year of a brutal campaign against the Falungong sect.

“In the recent history these have always been problematic for the leadership,” Beja said.

Source: Bloomberg

Hebei Textile & Clothes export climb

DATE: 2008/12/19

Under the impact of RMB appreciation, raw material cost soar and the US economy recession, the export of textile and clothes in Hebei province witnessed a slow growth in September, up 2.1% on the same period of last year.

In this situation, the central government rised the export tax rebate rate for textile and clothes to help SME go through this difficult time. The adjustment of macro-economy policy had a positive effect on

the export of Hebei province. In October, the export of textile and clothes reached 260 million USD, up 34.9%, about 33 points higher than last month.

The export to the EU and the US grew at the rate of 37.9% and 60% respectively; to Russia and Japan at 71.2% and 30.4% respectively; to ASEAN and Africa at 56% and 35.8% respectively.

Source: *bharattextile*

First graduates emerge from Karl Mayer Academy China

DATE: 2008/12/19

Leading warp knitting machine builder Karl Mayer, an international ambassador for the warp knitting industry, recently saw its first graduates emerge from the Karl Mayer Academy China which the Obertshausen, Germany based company opened earlier this year to support the Chinese warp knitting industry.

The education and training centre in Wujin which belongs to Karl Mayer China Ltd, offers a comprehensive range of specialist warp-knitting courses in a block format, and is particularly committed to the requirements of those taking part. The most important aspects of configuring the contents of the courses are the wishes of customers, previous knowledge and the training aims of all participants, with a clear focus on practical training on machines.



The acid test for this concept was the start of the course programme on 26 September. The first course which lasted two weeks and had a theme of “the fundamentals of warp knitting”, hosted eight trainees. The students came from all sectors of industry including management, machine maintenance, and product development and buying. Trainees, who were eager to learn, mostly came from the Eastern Chinese provinces of Zheiyang and Xiangsu, but also from Indonesia and Australia.

Immediately after the welcoming ceremony and a short tour of Karl Mayer China Ltd, trainees were led to the seminar room and its adjacent showroom. Here training machines are positioned next to demonstration machines which are used for trials; a synthesis which Karl Mayer says guarantees great practical relevance and ensures a great deal of synergy. Trainees become acquainted with the high-tech warp-knitting production equipment, while those visiting Karl Mayer China Ltd can profit from the trainer's know-how.

The first basic course was run by Roland Baempfer and Ying Xu as a bilingual pairing. The experienced trainer from the Karl Mayer Academy at the Obertshausen headquarters instructed the trainees in English and, at the same time, showed his young Chinese colleague, who translated simultaneously, how to transmit knowledge successfully. The two further basic courses (WKB) envisaged for 2008 will be presented by textile engineer Ying Xu completely on her own.

The purpose of these courses is to make the fundamentals of warp knitting comprehensible; from machine design, through textile fibres and the production of warp-knitted fabrics right up to finishing. During the first course the trainees did not cover too much theory on fabric construction and lapping movements but instead immediately converted the creations into reality directly on the training machines.



Trainees analysed the fabric constructions using the latest aids under specialist guidance and became familiar with the procedures involving pattern chains and pattern wheels. In addition the trainees gained an insight into warp-knitting machine design, into the fundamentals of proCad Warpknit for the development of constructions, and into KAMCOS as the controlling core of Karl Mayer machines.

The compact schedule was completed by all the trainees without any problems and learning in a pleasant atmosphere with a great deal of room for experimentation, the latest equipment and experienced instructors not only made it easy for the trainees, but also made it fun for them.

Karl Mayer says that when General Manager Yang Zengxing presented the certificates on the final day, only satisfied expressions could be seen. In addition, feedback after the first week confirmed to the trainers that there had been a successful mixture of the theoretical and practical, that the instruction had been lively, and that valuable knowledge had been gained.

Most of those who passed the basic course have already booked for the advanced WKS course in 2009.

Source: *knittingindustry*

Veken upholds Patent Rights of Coral Fleece Products

DATE: 2008/12/18



In a major step to protect intellectual patent holder Veken Group Holding Co Ltd, and its patent protection case on “Coral Fleece”, the extremely popular microfiber plush fleece, a large shipment of infringing Coral Fleece products have been seized by Shanghai Customs, as reported in the December 8, 2008, edition of China’s leading business newspaper the International Business Daily.

The shipment, licensed under the Cannon brand name and exported by SunWin International Trading Company, was destined for Sears, Roebuck and Co. stores in the United States. Veken’s patent rights were filed with China Customs agents nationwide and have established the first successful case where, pursuant to law, Customs can withhold product suspected of infringing upon the Coral Fleece patent.

Customs’ seizure is just the first step in upholding the rights of the patent owner. If patent infringement is confirmed, the violating company risks product confiscation, a fine up to 30 percent of the merchandise’s value, and possible criminal charges. All companies involved also are registered on a Custom’s “Blacklist” and are subject to long-term monitoring.

An executive with Veken states, “What is important is the patent’s validity and that suspected infringing manufacturers be put on notice that infringing products will be seized according to the law.”

Today, more than 150 other factories have illegally employed Veken’s patented technology in creating their own versions of the Coral Fleece blanket.

Source: China Textile Network Company

With China's landmark upholding of Veken's intellectual patent rights, other manufacturers wanting to make and sell the Coral Fleece blanket will have to apply to Veken for approval of use of its patent through legal means. Veken holds the patent for all Coral Fleece products made in China and sold in North America.

Specializing in textile manufacturing, international trading, real estate and energy investment, Veken Group Holding Co., Ltd., is a publicly traded company with total assets of 6.9 billion RMB, 10 billion RMB in total revenue, and \$700 million U.S. in total global export sales.

Source: Veken Group Holding Co Ltd

This case is historic as it is the first time the Chinese government has upheld the rights of an intellectual patent holder in China. Veken Group Holding Co Ltd, owner of the intellectual patent on Coral Fleece, has successfully held competitors at bay with winning this important and historic decision. In October 2008, more than 150 factories in China had petitioned the State Intellectual Property Office to withdraw its approval and make the patent "public property", threatening the loss of 300,000 jobs and the shut down of 200 factories. However, after a huge media debate, Veken came out on top and successfully defended their patent, which was issued July 26, 2006, by The State Intellectual Property Office of The People's Republic of China. The patent gives Veken exclusive rights to the patented technology for Coral Fleece through July 26, 2026.

"The industry has no other possible choices but to protect both the intellectual property and company's legal rights," said Mr. Yang Ji Chao, secretary general of the China National Textile and Apparel Council (CNTAC), as reported in the International Business Daily, in a front page article entitled "A Forerunner's Plight: The Passion, Logic, and Law of an Ongoing Story Between a Patent Holder and Patent Violators", published November 7, 2008.

Coral Fleece blankets are cozy, smooth, and marked by their fine texture, plush hand, and strong temperature retention. Veken successfully introduced its patented Coral Fleece product and customer response to the blanket was huge and an instant success. Purchase orders exceeded production capacity, and for years, supply could not meet demand. Shortly after Coral Fleece hit the international market, infringers rushed in.

Source: CNTEX

Shanghai Customs reports biggest monthly foreign trade fall in seven years

DATE: 2008/12/17

The Shanghai Customs on Monday reported that November saw the biggest monthly fall in foreign trade since 2001, as the effects of the global financial crisis continued to be felt.

Exports and imports via the customs fell by 9.7 percent year-on-year in November to reach 45.4 billion U.S. dollars, as compared to an average of over 50 billion U.S. dollars from January to July.

The customs, nearly one fourth of China's foreign trade, witnessed exports decrease by 2.4 percent in November to 31.4 billion dollars, as compared to a robust growth of 20.8 percent in October.

Imports registered a sharp fall of 22.8 percent to 13.98 billion dollars in November, as compared to a year-on-year increase of 7 percent a month before, said the customs.

It said that exports via Shanghai to America, the epicenter of the global financial crisis, were down by 8.2 percent in November, as compared to an averaged increase of 14.6 percent in the first ten months.

The customs attributed the sharp fall in export to the shrinking demand by foreign-invested firms in China, whose exports constituted two third of the total throughput.

The exports reduced by 6.1 percent in November, reversing a strong rising momentum in the first ten months, when the averaged growth rate was 22.9 percent.

Source: chinaview.cn

Replay goes China

DATE: 2008/12/16

China will see the launch of Replay's new promotional project, aimed at highlighting the brand and the upcoming Replay Store openings all over the country. The Reply pop up shop overlooking the River Huangpu debuted in Shanghai. The mobile store houses the Replay A/W 2008-09 collection. The store is a 6x6m cube, completely covered in bamboo canes. Inside it is fitted with other natural materials such as wood, stone and tree trunks.

The Replay temporary store launched in the Chinese megalopolis aboard a riverboat, between the skyline of the financial district of Pudong and the Art Deco neighbourhood, Bund. Model Jill Tong, accompanied by her husband Xie Hiu, Chinese footballer who plays for Wiesbaden, was one of the star guests at the launch party.

After its maiden voyage, the Replay Pop Up Store will head for Beijing and Guangzhou in April 2009, followed by six more Chinese cities by the end of the year.

Source: fashionunited.co.uk

Beijing reports slowdown in foreign trade growth

DATE: 2008/12/15

Impacts of the global financial meltdown are becoming apparent in the foreign trade sector of China's national capital, Beijing.

The growth rate of imports and exports in Beijing has been declining for six months. For instance, the year-on-year rise in May was 73.1 percent, but in October, the increase was only 45.6 percent, said a document posted on the Beijing District Custom's website.

Beijing's imports were mainly crude and processed oils, iron ores, automobiles and farm produce. Its exports were high-tech products such as cell phones, garments, steel products and coke.

Beijing Customs advised departments to establish a precautionary mechanism within industries to minimize the declining growth rate. Specifics were not released.

It's website showed Beijing's imports and exports totaled 237.3billion U.S. dollars in the January-October period, up 54.4 percent year on year.

Exports made up 47.9 billion U.S. dollars, up 21.8 percent, while imports were 189.4 billion U.S. dollars, a rise of 65.6 percent.

The European Union remained Beijing's No.1 foreign trade partner in terms of foreign trade volume in the first 10 months of the year. It was followed by Saudi Arabia, Angola, Japan, ASEAN and the United States.

Source: CNTEX

China's industrial output growth falls to 5.4% in November

DATE: 2008/12/15

China's industrial output rose 5.4 percent year-on-year in November, 2.8 percentage points lower than October, the National Bureau of Statistics (NBS) said on Monday.

The pace of growth, which decelerated for a fifth straight month, was 11.9 percentage points lower than a year earlier, according to the NBS.

Industrial output grew at an annual rate of 8.2 percent in October, the slowest in seven years and sharply down from 11.4 percent in September.

By sector, industrial output rose 6.2 percent for the textile industry, 11.6 percent for the non-metal mineral sector, 8 percent for equipment manufacturers and 3.6 percent for transport equipment producers. However, industrial output for the raw chemical materials and chemical products sector fell 3.3 percent last month.

China produced 230 million tons of raw coal and 15.86 million tons of crude oil in November, up 5.2 percent and 4.9 percent, respectively.

Power generation declined 9.6 percent last month from a year earlier. That followed a 4 percent fall in October.

In the first 11 months of this year, industrial output jumped 13.7 percent, down from 14.4 percent in the first 10 months and 18.5 percent during the same period last year.

Source: CNTEX