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**ADVANSA introduces itself to the Asian Market**

DATE: 2008/10/16

ADVANSA, Europe's leading manufacturer of polyester fibre and filament for home, apparel, and technical textiles, has plans to enter the Asian market with its latest multifunctional, ecological and high-tech fibre innovations: ADVANSA Thermo Cool, Climarelle and Suprelle. ADVANSA will make its debut in Asia at Intertextile Shanghai Apparel Fabrics in China, October 20, - 23, in Hall W1, E18-20.

"The Asian market is a new territory for ADVANSA," says Gerard Illeras of ADVANSA. "As our scientists develop meaningful and innovative new polyester technologies, we will respond to the many requests we've received to launch them globally - not only in our current European, Middle Eastern, and African markets, but also in the United States as well as Asia. That is a very exciting proposition for us."

"The feedback we have from the market in Asia is that there is a generally high awareness and appreciation of European brands and quality and therefore we see opportunities in Asia unfulfilled by local and existing polyester manufacturers. A further factor is that due to the large variation in temperatures and high humidity in Asia, we know that functional textiles are required and highly appreciated by Asian consumers." adds Mr. Illeras.

ADVANSA will manage its Asian sales efforts from its offices in Shanghai and Hong Kong. ADVANSA combines excellent technology with a thorough understanding of the end user's wants and needs. This approach results in meaningful, innovative products, such as ADVANSA Thermo Cool, Climarelle and Suprelle - that perform to the most stringent expectations.

ADVANSA Thermo Cool is made with a unique fibre mix. Fabrics for apparel are able to provide superior moisture management and temperature control to keep wearers comfortable across a wide range of temperatures and activity levels:

During physical exercise or in hot weather, ADVANSA Thermo Cool wicks moisture faster than other materials.

The fibre is designed with increased surface area and micro-channels to transport moisture quickly away from the skin to the textile surface. The hollow fibres allow enhanced air circulation and focus energy on the evaporation process to achieve maximum evaporative cooling. In cool weather or after exercise the hollow fibres provide thermo-buffering to protect muscles from post-exercise chill.

Climarelle is a high-tech brand bringing thermo-regulation to the complete range of bedding, sleeping bags and insulated apparel. The Phase Change Material (mPCM) microcapsules integrated within the Climarelle become fluid with a cooling effect when temperature is higher than ideal. When body temperature falls again, the microcapsules change phase from liquid to solid, releasing heat energy to the body and helping it to keep warm despite lower temperatures. Thus, thermo-regulating microcapsules store warmth actively and release it only when necessary, providing a balanced sleeping temperature all night long.

ADVANSA manufactures polyester staple fibre and filament yarn, both POY and textured. In addition to its own brands that have been introduced successfully in US this Summer and will be introduced in Asia in October, ADVANSA markets under license in Europe, the Middle East, and Africa (EMEA) under the well-known banners of Coolmax, Thermolite, Dacron, and other former DuPont brand names to which ADVANSA has exclusive rights in the EMEA region. The company also makes polyester intermediates and polymer solutions.

ADVANSA resulted from a joint venture between E.I. DuPont de Nemours and Sabanci Holding. It was formed in 2004 when E. I. DuPont de Nemours transferred its share, DuPontSA, to partner Haci Ömer Sabanci Holding A.S., one of the largest industrial conglomerates in Turkey with sales of over \$15 billion USD. The company changed its name to ADVANSA in March 2005.

Under Sabanci's ownership, ADVANSA invested in its three polyester manufacturing facilities in Turkey and Germany and cemented its leadership position in Europe, the Middle East and Africa. The company has continued to invest significantly in research and development. Its laboratory has recently created several new performance yarns for the apparel, home textiles, and technical textiles markets, which are currently available in the EMEA region and will be introduced to the Asian market at Intertextile Shanghai.

*Source: ADVANSA*

## **Global Financial Crisis Impacting Mills**

DATE: 2008/10/15

Industries worldwide are having a difficult time obtaining credit loans due to the panic in financial markets, with textile mills and mill groups reporting various lending conditions. Smaller mills have been the most impacted, with a few experiencing a cut off in credit loans. Such is the case last week in the U.S., where a small mill closed two plants after losing its credit sources. In other regions, currency volatility has impacted industries. South Korea's textile sector has been hit with a plummeting won, which collapsed last week to its lowest level since April 1998, dropping to 1,485 before recovering to close the week at 1,310 per U.S. dollars. South Korea's banks have also been feeling the crunch. The decline in credit availability and currency volatility has led to renewed interest in the GSM credit facility. South Korea was allocated 3.5 billion under the CCC export credit guarantee program for 2009, which has been used mainly for soybean meal and corn purchases. The difficulty in credit has led to several companies having problems in opening letters of credit, adding to the woes of trade. One measurement of the trade issues is the collapse of the Baltic Dry Freight Index, which continued to decline on Monday, October 13, falling to 1976, down over 83% from its June 2008 high.

*Source: Globecothenews*

## Government Plans to Double Rural Income

DATE: 2008/10/15

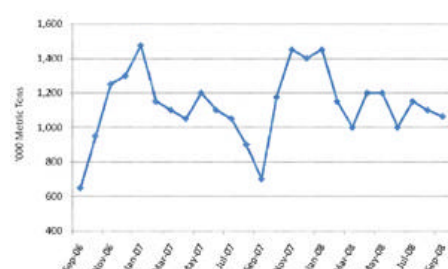
At the October 9 - 12 3rd Plenary Session in Beijing, the Communist Party of China Central Committee announced a plan to boost rural income, setting a target to double the current level of rural income by 2020. As part of this initiative, the government plans to launch a major land reform that would afford legal protection to farmers, giving them the ability to lease or sell the rights to farm their land. Land could also be used as credit collateral. Other government strategies would be to substantially increase subsidies offered to grain growers for the 2009 season and increase minimum support prices. Cotton profitability as a chosen cash crop in eastern China will further erode as a result of these initiatives.

Source: GlobecoNews

## NCMMS Survey Reveals Much Larger Mill Stocks

DATE: 2008/10/15

NCMMS Survey of Month-End Industrial Cotton Stocks

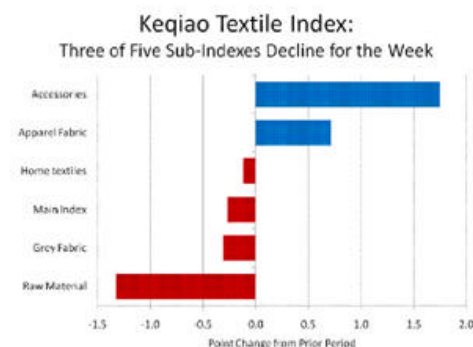


The end-of-September NCMMS survey of mill stocks reveals that China's industrial cotton stock level totaled 1,063,000 tons, down 4% from August but up 50% from the previous year. Mills held 33.1 days or less of consumption, which was down 1.6% from the last survey but far above year-ago levels. Mills continue their hand-to-mouth buying strategy.

Source: GlobecoNews

## Keqiao Textile Index Eases in Latest Week

DATE: 2008/10/15



After last week's autumn holiday, the main gauge of China's Keqiao Textile Index drifted lower, as three of five components declined from the prior period. The main index settled down -0.27 points to 96.98, matching a near-term low set in early September. The raw material sub-index saw the largest decline from before the holiday and fell to a record low, down -1.33 points to 89.49, its first breach of 90. After reaching a record high in early September, grey fabrics fell for the fourth time in five weeks this week, down -0.31 points to 102.26. Home textiles rounded out the weekly decline by falling six of the last seven weeks.

The sub-index shed -0.12 points to 97.49, its lowest point since early July. Gains in the apparel fabrics and accessories components partially offset these declines. The apparel fabric sub-index rose 0.71 points to 100.29, but remains little changed over the last two months. Accessories saw the biggest jump in a year, rising 1.75 points to 103.37, its highest point in five months.

Source: bloomberg

Source: China Textile Network Company

## China's business climate index plunges in Q3

DATE: 2008/10/08

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China's business climate index, a key gauge of corporate performance, slid year on year in the third quarter, said the National Bureau of Statistics (NBS) on Thursday.

The index, based on a survey of 19,500 Chinese firms, fell to 128.6 points in the third quarter, down 16.1 points from the same period last year. In the second quarter the index dropped 8.8 points from 137.4 points.

It was the first time China's business climate index fell below 130 points since the outbreak of the Severe Acute Respiratory Syndrome (SARS) epidemic in early 2003. The 100-point mark is seen as a definition between depression and prosperity.

Compared to the same period last year, all sectors reported notable declines in business climate index, the NBS said.

If compared with the second quarter this year, all enterprises, except the service industry, reported declining business indices.

The information technology and software index, which remained at the top among all sectors, declined 15.3 points from the April-June period.

According to the NBS, the business index of China's listed companies plunged to 145.6 points in July-September, down 18.5 points from the second quarter.

In terms of company size, the index of large-sized enterprises fell the most. In the third quarter it was to 143.5 points, down 23.9 points year on year and 12.4 points from the second quarter.

The indices of medium- and small-sized enterprises were 118.5 points and 111.9 points, down 12.6 points and 8.9 points, respectively, from a year earlier.

Source: Xinhua

## China Tax Revenue Grows at Slowest Pace This Year

DATE: 2008/10/08

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China's tax revenue grew at the slowest pace this year in August as company earnings shrank and real estate and stock transactions plunged, the Ministry of Finance said.

Tax revenue last month increased by 11 percent from a year earlier to 355 billion yuan (\$51.9 billion), almost half the amount collected in January, the ministry said in a statement on its Web site today. The growth rate was a quarter of the pace in August 2007.

Today's data provides further evidence of a slowdown in the world's fourth-largest economy, after gross domestic product expansion between April and June slowed for the fourth consecutive quarter. The central bank and the top planning agency are at odds over how much the government should loosen monetary policy to support growth.

"Tightened macro-control measures are showing further effect and economic expansion is slowing," the ministry's statement said. Growth in most economic indicators related to tax revenue has

decelerated, including imports and exports, property sales, automobile sales and stock transactions, the ministry said.

Value-added tax was the "sole" support for the growth in revenue last month and accounted for 80 percent of the total increase, the ministry said. VAT collections rose 23 percent from a year earlier to 151 billion yuan.

#### Sole Support

Finance Minister Xie Xuren set a target in March for this year's budget deficit of 180 billion yuan, narrowing from 200 billion yuan in 2007.

Business tax revenue increased by 4.3 percent to 50 billion yuan in August, compared with an increase of 32 percent in the same period last year, the statement said.

The ministry's revenue from stamp duty on stock transactions slumped 90 percent last month to 3.2 billion, a drop of 28.5 billion on August 2007, when the growth rate surged by 3321 percent.

The CSI 300 Index, which tracks yuan-denominated stocks in Shanghai and Shenzhen, has plunged 64 percent this year on concerns slowing economic growth will hurt earnings.

Tax revenue from vehicle sales fell 2.3 percent 7.2 billion yuan compared with growth of 33.1 percent in August last year.

The government's increasing use of fiscal policy to bolster economic growth as global demands falters is also affecting revenue. The nation has reduced the tax that textile exporters pay and unified income taxes paid by domestic and foreign companies that allow Chinese producers to pay less.

Officials are working on a plan for as much as 400 billion yuan (\$58 billion) of spending and tax cuts, according to economists and reports in domestic news media.

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*Source: bloomberg*