

EXTRACT**Content:**

- **Average Wage of On-Duty Staff and Workers in Urban Units Went up in the Third Quarter**
- **Brazil's clothing, textile industries to benefit from financial crisis**
- **USTR Threatens Action On Chinese Textile Subsidies**
- **Ningbo Agreement on International Fashion Industry Cooperation**
- **China to Keep Textile Export 'Stable' as Trade Restrictions End**
- **India's Textile industry turns into Sunrise Industry, says Shri Vaghela**
- **Flexible macro policies prepare China for financial turmoil**
- **China to support labor-intensive businesses to create jobs**

Average Wage of On-Duty Staff and Workers in Urban Units Went up in the Third Quarter

DATE: 2008/10/31

In the third quarter, the average wage of on-duty staff and workers in urban units reached 19,731 yuan, surged 3,056 yuan over same period of previous year, and a year-on-year increase of 18.3 percent.

In terms of different regions, the average wage of 9 provinces (autonomous regions and municipalities) was higher than the national average, while that of 22 provinces (autonomous regions and municipalities) was lower. The top fives are: Beijing stood at 39,663 yuan, 2.01 times over than the national average; Shanghai stood at 39,004 yuan, 1.98 times over than the national average; Tianjin stood at 27,687 yuan, 1.40 times over than the national average; Zhejiang stood at 23,603 yuan, 1.20 times over than the national average; Guangdong stood at 23,078 yuan, 1.17 times over than the national average. The last fives are: Henan stood at 14,485 yuan, occupied 73.4 percent of the national average; Hainan stood at 14,902 yuan, occupied 75.5 percent of the national average; Jiangxi stood at 15,224 yuan, occupied 77.2 percent of the national average; Heilongjiang stood at 15,454 yuan, occupied 78.3 percent of the national average; and Xinjiang stood at 15,681 yuan, occupied 79.5 percent of the national average.

In terms of average wage growth rate divided by regions, there are 14 provinces (autonomous regions and municipalities) exceeded the national average growth rate, while that of 17 provinces (autonomous regions and municipalities) contrarily. The top fives are: Henan, up by 25.4 percent, 7.1 percentage points higher than the national average; Shanxi, up by 23.5 percent, 5.2 percentage points higher than the national average; Ningxia, up by 23.4 percent, 5.1 percentage points higher than the national average; Hebei, up by 23.0 percent, 4.7 percentage points higher than the national average; Hubei, up by 22.5 percent, 4.2 percentage points higher than the national average. The bottom fives are: Qinghai, climbed 9.5 percent, 8.8 percentage points lower than the national average; Guizhou, climbed 10.4 percent, 7.9 percentage points lower than the national average; Guangdong, climbed 12.6 percent, 5.7 percentage points lower than the national average; Yunnan, climbed 13.0 percent, 5.3 percentage points lower than the national average; Zhejiang, climbed 13.1 percent, 5.2 percentage points lower than the national average.

In terms of different industries, 12 industries higher than the national average wage, while that of 7 industries contrarily. The top fives in secondary and tertiary industries are: financial sector hit 40,312 yuan, 2.0 times over than the national average; information transmission, computer services and software industry hit 37,847 yuan, 1.92 times over than the national average; scientific research, technical services and geological prospecting industry hit 31,153 yuan, 1.58 times over than the national average; electricity, gas and water production and supply industry hit 25,407 yuan, 1.29 times over than the national average; culture, sports and entertainment hit 23,932 yuan, 1.21 times over than the national average. The last fives are: hotel, food and beverage services hit 13,587 yuan, possessed 68.9 percent of the national average wage; construction industry hit 14,231 yuan, possessed 72.1 percent of national average; water conservancy, environment and public facilities management hit 15,452 yuan, possessed 78.3 percent of the national average; manufacturing hit 16,435 yuan, possessed 83.3 percent of the national average; wholesale and retail trade hit 16,576 yuan, possessed 84.0 percent of the national average.

In terms of average wage growth rate divided by industries, there are 4 industries exceeded the national average growth rate; while that of 15 industries contrarily. The top fours in secondary and tertiary industries are: financial sector, 29.6 percent higher and 11.3 percentage points over than the national average; wholesale and retail trade, 22.0 percent higher and 3.6 percentage points over than the national average; scientific research, technical services and geological prospecting industry, 21.0 percent higher and 2.7 percentage points over than the national average; mining industry, 20.6 percent higher and 2.3 percentage points over than the national average. The last fives are: residents and other service industries, 9.5 percent higher or 8.8 percentage points lower than the national average; information transmission, computer services and software industry, 10.9 percent higher or 7.5 percentage points lower than the national average; hotel, food and beverage services, 13.8 percent higher or 4.6 percentage points lower than the national average; culture, sports and entertainment, 14.4 percent higher or 3.9 percentage points lower than the national average; transport, storage and postal industry, 15.6 percent higher or 2.7 percentage points lower than the national average.

Notes:

1. *According to the existing statistical system of National Bureau of Statistics, the average wage of on-duty staff and workers in urban units covers the state-owned units, urban collective units, as well as units of associated economy, joint-stock economy, foreign-funded units, units funded by entrepreneurs from Hong Kong, Macao, and Taiwan, while that excluding the private enterprises and self-employed individuals.*

2. *Total amount wages refers to the total remuneration payment to staff and workers in various units during a certain period of time, which including hourly wages, piece-rate wages, bonuses, allowances and subsidies, overtime pay, wages paid under special circumstances, no matter if it accounted to the costs, or whether it paid by monetary forms or real objects, are all included. Total amount wages calculated the individual pre-tax wages, which including pension, medical care, housing, and other personal account of the fund.*

Source: National Bureau of Statistics of China

Brazil's clothing, textile industries to benefit from financial crisis

DATE: 2008/10/30

Brazil's textile and clothing industries will benefit from the ongoing worldwide financial crisis, expecting growth both during the Christmas season and next year, said the Brazilian Textile and Apparel Industry Association (ABIT) on Tuesday.

According to ABIT, investments in the sectors are expected to reach 1 billion reais (454 million U.S. dollars) in 2009, while the year 2008 is expected to see a deficit of 1.6 billion dollars.

Source: China Textile Network Company

Growth in both sectors in 2008 were slim: the textile industry grew by only 0.3 percent in the period, and the clothing industry 4.9 percent, while the average growth of all Brazilian industries was 6 percent in the first eight months of the year.

Losses in the two sectors were attributed to an increase in imports, which was coupled by a devaluation of the Brazilian real against the U.S. dollar.

ABIT counselor Rafael Cervoni said that apart from the devaluation of the Brazilian currency, whose value shrank by 30 percent due to the global financial crisis, credit restrictions will also make import more difficult, benefiting local industries.

Ronald Masijah, President of Sindi Vestuario, the sectors' representative entity, expected the fall in imports to lead to an 8-percent rise in the local industries' sales during Christmas.

The crisis will also result in a decrease in the domestic consumption of durable goods, such as cars, which might boost other sectors such as textile and clothing, added Masijah.

Source: Xinhua

USTR Threatens Action On Chinese Textile Subsidies

DATE: 2008/10/30

James A. Morrissey, Washington Correspondent

US Trade Representative Susan C. Schwab has warned the Chinese government that unless it takes actions to eliminate certain textile export subsidies, she will take an anti-subsidy case to the World Trade Organization (WTO). The threat was revealed in a letter to Sen. Elizabeth Dole, R-N.C., who had expressed her concern over allegations of some 73 subsidies called to her attention by the National Council of Textile Organizations. (NCTO).

In her letter to Dole, Schwab said: "We understand and share your longstanding commitment to challenging unfair trade practices that violate World Trade Organization rules and deny a level playing field to American industries and workers. Our initial analysis confirms your concern that Chinese subsidy programs appear to raise serious WTO issues." While she did not specify which subsidies are under attack, Schwab said she has directed her staff to intensify its analysis of whether such subsidies violate China's WTO obligations.

NCTO President Cass Johnson said: "While we do not know which particular subsidies USTR is planning action against, many of the subsidies cited by NCTO were of significant size, totaling in some cases hundreds of millions of dollars. Eliminating these subsidies could have a material impact on China's ability to export goods overseas at artificially low prices."

Johnson said the US government's action in threatening to attack the subsidies "makes all the more important" a system of monitoring Chinese trade when safeguard quotas on some 34 "sensitive" categories of textile and apparel imports are due to expire this December 31. He noted that the last time safeguards were briefly removed, Chinese textile and apparel exports rose 600 percent, wiping out thousands of US textile jobs.

Rep. Charles Rangel, D-N.Y., chairman of the House Ways and Means Committee, has asked the US International Trade Commission to initiate an investigation that could lead to a formal monitoring program that ultimately could result in imposition of new tariffs or quotas, or both, on Chinese imports. In addition, more than 70 members of Congress have written to President George W. Bush,

urging him to extend the Vietnam imports program being conducted by the Commerce Department to include Chinese imports.

Source: Textile World

Ningbo Agreement on International Fashion Industry Cooperation

DATE: 2008/10/29

Ningbo International Fashion Fair Organizing Committee and Ningbo Garment Association, together with China-Europe Textile Alliance (Spain, Germany, France, Austria, Switzerland and Finland), Argentina-Chinese Trade Chamber, Hong Kong Trade & Development Council, Indonesian Chinese Chamber of Commerce, Fashion Commission of the Florentine Industrial Association, Malaysia Garments Wholesale Merchants Association, Dutch Chinese Chamber of Commerce, Korea Fashion Textile Association, NEXFAIR, Textiles and Fashion Federation (Singapore), and IBMC CHINA AG, etc., have come to terms with each other that all shall exert their efforts to deepen cooperation on the international fashion industry after having the TOFIC (Ningbo Round-table Talk on International Fashion Industry Cooperation) during the 12th Ningbo International Fashion Fair in Ningbo.

Items are agreed as follows:

- I. To launch TOFIC (Ningbo Round-table Talk on International Fashion Industry Cooperation) and set up its execution organization as International Fashion Industry Cooperation Execution Secretariat in Ningbo. The TOFIC is to be held annually in Ningbo, China with different unique industrial subjects and is to invite international experts and representatives of related industrial associations to be part of it. Each year, Chairman of TOFIC is to be invited from its members. And this very first year, we would like to invite Ms. Yu Hongyi, Vice Mayor of the Ningbo city as the Chairman and Mr. Zhou Xueming, Secretary-general of Ningbo International Fashion Fair Organizing Committee to be Secretary-general of the Execution Secretariat. Deputy Secretary-generals are those recommended by members of TOFIC.
- II. To set up a system for industrial information exchange and utilization. TOFIC members are responsible for providing its latest industrial info on trend, technology and projects etc. to the Execution Secretariat so that a database can be set up and under utilization.
- III. To carry out cooperative researches on the fashion industry in terms of industrial innovations on brand economy, culture of fashion, internationalization, talent recruitment and management, etc. so as to better serve the fashion industry and companies within the industry.
- IV. To promote interactions among TOFIC members on industrial activities like exhibitions and business trading, etc.
- V. To boost international and regional industrial interactions and cooperation, such as investment, brand cooperation, technology exchange and talent development. And to help international fashion-related companies introduced by TOFIC members to find suitable processing companies, marketing partners, agents, and promotional network, etc. in China and vice versa.
- VI. Others. TOFIC members are allowed to put forth related cooperative projects to the Execution Secretariat. The projects are to be carried out upon agreement from relevant TOFIC members.

Source: IFFAIR

China to Keep Textile Export “Stable” as Trade Restrictions End

DATE: 2008/10/27

China will keep textile exports “stable and sustainable” in 2009 as it ends controls on shipments to the U.S. and Europe and World Trade Organization restrictions end.

The Ministry of Commerce will maintain “dialogue and communication” with relevant countries as limits imposed on China’s textile exports by the WTO expire on Dec. 31, the ministry said in a statement published on its Web Site.

China aims to boost 2009 textile exports while avoiding any unwanted expansion of output after the restrictions end. The nation wants to minimize trade friction next year as textile agreements signed with the U.S. and Europe also run out in 2009.

“Local ministry of commerce offices should continue to do their job in helping enterprises to change growth models and adjust product structures,” the ministry said in the statement, without giving details.

The government will arrange next year’s export plan to meet the new situation, including a slowing world economy and the turmoil in financial markets, according to the statement.

Source: Bloomberg

India's Textile industry turns into Sunrise Industry, says Shri Vaghela

DATE: 2008/10/27

7 textiles parks to be set up under sitp in gujarat these parks to attract an investment of rs. 3,035 crore and generate employment for 98, 000 workers.

Shri Shankersinh Vaghela, Union Minister of Textiles said that the biggest achievement of the UPA Government was to turnaround the Indian Textiles from Sunset to Sunrise sector. He said this while addressing a press conference at Ahmedabad.

He said that the rationalization of fiscal duties undertaken during the last three years has also provided a level playing field in all segments of the industry, resulting in the holistic growth of the industry. The Minister said that the textiles sector has witnessed a spurt in investment during the last four years and the investments between 2004-08 were Rs. 1,04,506 crore and they are expected to touch Rs. 1,50,600 crore by 2012. This enhanced investment will generate 17.37 million jobs by 2012.

The Minister said that the cotton is the main stay of our textiles industry. With the launching of Technology Mission on Cotton in 2000 and introduction Bt Cotton seed in 2002 and due to the focused support provided by the Government in recent past, the cotton situation has radically improved.

Our production has reach a level of 31.15 million bales in the cottons season 2007-08, and it is estimated that it will reach a record level of 32.20 million bales. The quality of Indian cotton has improved significantly and our yield will reach 591 kg. per hectare this cotton season.

We are the second largest producer, exporter and consumer of cotton. The competitiveness of our cotton is also reflected in the share of cotton in fibre consumption, which is 60% of total fibre consumption. The share of cotton in the textiles and clothing exports is more than 75%, he added.

Source: China Textile Network Company

Shri Vaghela said that the Government is operating the Minimum Support Price (MSP) Scheme through the Cotton Corporation of India Ltd. (CCI) to ensure a minimum return to the farmer. To stabilize the long term cotton production in the country and to help the farmers, while balancing the interests of textiles industry, the MSP for cotton season of 2008-09 has been substantial raised, said Vaghela.

The MSP of medium staple cotton of length group 24.5 mm to 25.5 mm, has been raised by 39% to Rs. 2,500 per quintal, compared Rs. 1,750 to 1,800 per quintal in 2007-08. The MSP for long staple variety of length group 29.5 mm to 30.5 mm has been raised to Rs. 3,000 per quintal in the cotton season of 2008-09 from Rs. 2,250 per quintal in the cotton season of 2007-08.

Shri Vaghela informed that the higher export of raw cotton had an impact on the cotton prices which shot up to historic highs in the current cotton season. Since October-end 2007 till July 2008, the cotton prices had been higher by around 20% to 40% compared to last year.

The opening cotton prices during the fiscal 2007-08 had been higher by around 4% to 17% as compared to previous year. This was affecting the viability of textiles mills, and on the persistent demand of the Industry the Government abolished import duty of 14.7%, and drawback benefits on raw cotton w.e.f. July 8, 2008. This has helped to stabilize the prices.

Minister said that Indian textiles and clothing exports were US\$ 21.46 billion in 2007-08, registering a growth of 12.10% in dollar terms, he added. It is expected that in 2008-09 the textiles and clothing exports will be at least 15% more than what were achieved in 2007-08.

The textiles and clothing exports have diversified into new markets like GCC, Africa, Latin America, Russia and Oceania, and the buoyancy is reflected in the growth of 22.97% and 24.14% in dollar and rupee terms by textiles and clothing export in April-May 2008 {US \$ 3.17 billion (Rs. 15,296 crore)}, compared to April-May 2007.

Shri Shankersinh Vaghela said that garmenting is an important segment of Indian Textiles Industry which employs around 5 million workers and has a great employment potential. The Apparel Training and Designs Centre (ATDC) is being opened at Godhra to provide training to both male and female apprentices to make them employable in the Apparel Industry. This measure will help in boosting the employability of local youth, said Vaghela

Shri Vaghela informed that the UPA Government gave a renewed impetus to the implementation of the Technology Upgradation Fund Scheme (TUFS) and on the persistent demand of the Industry, it has been extended upto March 31, 2012.

During its initial years, the progress of the scheme was moderate and it gained momentum from 2004-05 onwards. From its inception till March 31, 2008, 18,773 applications have been sanctioned at an estimated project cost of Rs. 1,22,087 crore. During 2007-08, Rs. 43,700 crore was disbursed, registering a growth of 16.46% on year to year basis.

Shri Vaghela said 40 parks are being set up under the Scheme for Integrated Textile Parks (SITP) which will attract an investment of Rs. 21,502 crore, create employment both direct and indirect for 9.08 lakh workers and produce goods worth Rs. 38,115 crore annually.

Seven parks are being set up in Gujarat at Surat (5), Kutch (1) and Kheda (1). These parks will attract an investment of Rs. 3,035 crore, generate employment both direct and indirect for 98 thousand workers and produce goods worth Rs. 6,597 crore annually.

The Minister informed that as a part of a social welfare measure, UPA Government restructured and

initiated Schemes to provide insurance coverage, including cashless OPD facilities, to handloom weavers, handicraft artisans and their families.

Source: Press Information Bureau

Flexible macro policies prepare China for financial turmoil

DATE: 2008/10/27

Facing the financial tsunami, Chinese officials were confident they would be able to deal with the crisis. Observers said the confidence came from an overall and flexible management of the country's economy.

The U.S.-born financial crisis dragged the world economy into a tight spot. The International Monetary Fund chief Dominique Strauss-Kahn said the emerging economies might brace for slacking exports, falling material prices and shrinking foreign investments.

The country's economic growth dipped to 9.9 percent from Jan. to Sept.. It was 2.3 percentage points lower than the same period last year. The National Bureau of Statistics (NBS) ascribed 1.2 percentage points of the growth reduction to declining net exports of goods and services.

Zhang Junsheng, a foreign trade expert with the Beijing-based University of International Business and Economics, said the slower export growth was reasonable owing to the economic downturn in the U.S. and Europe and the 22-percent growth was a pretty good one.

He said people worried about slowing exports because the growth rate beat their high expectations built on a sound world economy.

Despite the U.S., Europe and Japan had been major destinations of the country's exports, the authorities had begun developing other markets such as Africa and Latin America as early as in 1997, he added.

In addition, the country's exports of daily necessities were stronger than luxury commodities. Fan Gang, a member of the Monetary Policy Committee under the central bank, said the financial crisis would increase people's demand for living essentials and this could be beneficial to China's export.

However, export enterprises still moaned with squeezed profits. The country's Ministry of Finance adjusted export tax rebates on Oct. 21 to counter the slump. It raised rebates on more than 3,000 items such as textiles, garments and toys, among many others.

This move came after measures to increase credit supply and standardize foreign exchange management.

On Oct. 22, a series of policies were issued to boost the property market. They included tax exemptions and mortgage deposit reductions.

Zhang Hanya, a researcher with the National Development and Reform Commission, said the recent adjustments would ease the credit crunch of many enterprises and would be conducive to sustain the consumption growth.

Retail sales gained 22 percent in the first nine months. It was 6.1 percentage points higher than the same period last year, according to the NBS.

Zhang was confident about the country's economic prospect, saying a 27-percent growth of fixed assets investment between Jan. and Sept. was an exciting one. Besides, the government had vowed to further increase investment.

Guosen Securities Analyst Lin Songli said the cooling world economy resulted in drops of material prices, but it helped pare cost for the country's enterprises which imported materials heavily.

Currently, there is no sign of a shortage in foreign capital. From Jan. to Sept., the amount of actually-used foreign capital rose almost 40 percent, 29 percentage points higher from a year earlier. In fact, the country was even counted on to save the world from the financial crisis.

Fan Jianping, chief economist of the State Information Center, believed the severe export situation would press export enterprises to step up reforms and technical upgrading. Meanwhile, the government's moves to expand internal demand would offset the losses caused by weakening external demand.

The communique of the Third Plenary Session of the 17th Communist Party of China Central Committee had urged an expansion of internal demand, especially the consumption demand.

Fan said the breakthrough in rural land circulation would be an incentive to consumption in rural areas and help reduce the country's dependence on the external demand.

"The past 30 years have witnessed ups and downs of the country's economy. After each reform, China would take a big step forward. With the government's flexible economic policies, the economy would develop into a more sustainable and solid one." he said.

China to support labor-intensive businesses to create jobs

DATE: 2008/10/27

In face of the international financial meltdown, the Chinese government will support labor-intensive enterprises, small and mid-sized businesses, the private companies and the service sector in order to maintain a stable unemployment rate.

"The ongoing international financial crisis which was triggered by the U.S. sub-prime mortgage debacle has affected the employment situation in China, particularly many export-oriented enterprises," said the Ministry of Human Resources and Social Security (MOHRSS) spokesman Yin Chengji here Monday.

The country created 9.36 million jobs in the first three quarters, and helped another 4.09 million laid-off workers re-employed, he told a press conference.

By the end of September, China had a registered unemployment rate of four percent, with about 8.3 million being unemployed. The unemployment rate was the same as what the country had at the end of last year.

To keep the unemployment rate stable in face of the international financial crisis, Yin said, the government was going to support labor-intensive enterprises, small and mid-sized businesses, the private companies and the service sector.

To bail out businesses in difficulty, the government decided to increase credits and loans to them and offer them more tariff refunds for exports, he said.

The spokesman said the government would take further responsibility of creating jobs by offering taxation, financing and other incentives for start-up businesses.

Further coordination with related governmental bodies will be made to increase employment of graduates from colleges and universities.

The government would also provide more career training for laid-off workers, helping them be re-employed as soon as possible, Yin said.

The government has transferred 219,000 labors from areas, which were hit by a massive earthquake on May 12 in southwest China's Sichuan Province, to other places for new jobs. Another 865,000 people were aided by the government to find jobs in places where they live.

About 215 million workers joined the nationwide urban pension system, nearly 274 million participated in the basic medical care system, 122 million were in the unemployment insurance mechanism, 135 million were covered by the work injury insurance and 88 million were in the maternity insurance, the ministry figures show.

The government will start tryouts to establish a pension system in rural areas and expand the urban pension system to rural migrating labors, Yin said.

For the past three decades since the country adopted the reform and open-up policy, Yin said, China has achieved greatly in the social security cause, shifting from a mechanism that state companies covered all social security for their employees to a new one that workers would resort to the society for their pensions and other job-related insurances.

While the governmental funds covering part of pensions and insurances, Yin said, employers and employees are responsible for jointly creating individual pension and medical insurance accounts for employees' later use.

The Chinese authorities planned to build a nationwide social security net by the year 2020, covering all urbanites and rural residents.

"With regard to the target," Yin said, "we still have a tough road ahead."

Yin said his ministry was working with other government offices to revise the draft social security law.

"The law would assure a comprehensive social security network, better social welfare for the Chinese people, more effective governance of the funds and easier services to the public," Yin said.

Source: Xinhua