

EXTRACT

Content:

- **Textile & Garment Trading Volume Up 5.9% in Canton Fair**
- **Cotton Sales by India to Double on Demand From China, Pakistan**
- **Show of fashion that never goes out of style**
- **China's Export Pickup Still Slow Due to Cautious Christmas Shopping Season**
- **China capturing Pakistan's export market to Australia**
- **Research Report on Chinese Textile Industry, 2008-2009**
- **Expo slated over stands from China**
- **China-Africa trade, economic cooperation create "win-win" situation for both sides**
- **'Made in China' now made in Egypt**

Textile & Garment Trading Volume Up 5.9% in Canton Fair

DATE: 2009-11-13

Upon the closing of The 106th Canton Fair, the organizer reported 5.9% growth of the textile & garment trading volume. It is always regarded as a signal that the worst time for textile & garment industry has passed. Nevertheless, the break point might come at the mid of 2010 since the whole situation is still under recovery. The organizer of Canton Fair reported that the trading volume of textile and garment were 3.42 billion USD, up 5.9% from previous fair, which accounting for 11.2% of the total trading volume of this fair. Of which, garment sales were 1.79 billion USD, up 10.5%; textile 1.63 billion USD, up 1.4%.

As an export-driving industry, textile and garment industry have high foreign-trade dependence. Since the global consumption hasnot recovered and the export demand was still weak, this industry cannot say recovery right now. The export of China textile and garment accumulated to 121.643 billion USD in first nine months, down 11.16% year over year. For September, the export was 16.751 billion USD, 1.055 billion USD more than that of last month, or up 6.72% on a monthly basis, but still down 6.94% on a yearly basis. Otherwise, the decrease speed evidently slowed down.

Source: CNTEX

Cotton Sales by India to Double on Demand From China, Pakistan

DATE: 2009-11-12

Cotton exports from India, the second-biggest grower, will more than double this crop season as China and Pakistan seek more fiber to make up for a shortfall in supplies from the U.S., a government official said. Shipments in the year that started Oct. 1 may top 7 million bales of 170 kilograms each, compared with 3.3 million bales a year earlier, A.B. Joshi, India's textiles commissioner, said in a telephone interview in Mumbai. Production is forecast to rise 5 percent to 30.5 million bales after farmers planted the crop to a record area this year, he said.

Increased Indian supplies may help cool a rally that has pushed up cotton prices 41 percent this year in New York amid concern demand will outpace supplies. World output will reach 102.7 million

Source: China Textile Network Company

bales, down 1 percent from last month's estimate, and demand will rise to 113.5 million, more than expected last month, the U.S. Department of Agriculture said yesterday. "India will be in a good position to take advantage of a shortfall from other major producers," said Dhiren N. Sheth, president of the Cotton Association of India. "There are concerns about crops in the U.S. and China as well. In the U.S., the top exporter, output will decline to 12.5 million bales of 218 kilograms each, 3.8 percent less than forecast last month, according to the USDA. Production in China, the world's largest consumer, may slump by as much as 20 percent this year on poor weather and reduced acreage, the Futures Daily reported Oct. 15, citing its own survey. We have the advantage of being a big producer in times of a shortage elsewhere," Joshi said.

China Shipments

Indian exporters shipped 115,637 bales of cotton last month, according to the textiles ministry. Shipments to China may be as much as 40 percent of India's sales, Joshi said. Indian cotton was offered at about 70 cents to 73 cents a pound on cost and freight basis at Chinese ports, Sheth said. Futures for December delivery gained 0.2 percent to 69.20 cents a pound at 9:17 a.m. in after-hours trading in New York. Futures rose 2.1 percent yesterday, the most in four weeks. "The popularity of Indian cotton has increased in the last couple of years because it is less contaminated and of a better quality," Sheth said. "We also expect demand from Pakistan and Indonesia."

Pakistan, the world's fourth-largest producer, may import as many as 2 million bales this year as production may be little changed at 12 million bales, Anwar Tata, chairman of the All-Pakistan Textile Mills Association, said Oct. 28. India's textiles mills may import about 700,000 bales of long-staple cotton, and demand from textile mills and yarn makers was "strong" in the past two quarters because of a revival in demand for clothes, Joshi said.

Source: bloomberg.net via CNTEX

Show of fashion that never goes out of style

DATE: 2009-11-11



"Fashion passes, style remains," Coco Chanel was once quoted as saying. You will see there's quite a bit of truth to that when you see the Lea Seong collection at the upcoming Pret-a-Porter Busan. The designer's collection is a modern twist on the 1920s, proving that some fashions never go out of style. "The 1920s was an important decade in the history of women's rights and fashion. Just think of films like "Chicago" and "The Great Gatsby." It was when women enjoyed their newfound freedom in many ways. And that's well illustrated in fashion," she said in a recent telephone interview with the JoongAng Daily from Shanghai, where she is based. In the roaring 20s in the U.S., women won the right to vote and started breaking with the social conventions that had previously dictated their behavior.

They powdered their noses and smoked cigarettes in public, and they drank cocktails and listened to jazz music in nightclubs. Fashion was quick to adapt. Chanel, for one, introduced jackets and short skirts to better suit women's increased level of activity. "I think women in the 1920s felt more liberated yet more feminine than before. That was the mood I was in when I was creating my collection," said Seong. She explained that the clothes in her collection are boxy yet feminine, as the styles in the 1920s were, with fringe and pleats. Before the Busan show, which will feature 32 pieces, Seong presented her work at China Fashion Week 2010 Spring/Summer, which kicked off in Beijing last week.

Seong, a graduate of Parsons The New School for Design in New York, has earned recognition in China and she is the only foreign member of the China Fashion Designers Association. The friendly

Source: China Textile Network Company

ties between Seong and the relatively closed Chinese fashion circuit have to do with her use of organic fabrics, which also reflects the larger trend toward organic materials at Pret-a-Porter Busan this year. When Seong launched her own label, Lea Seong, last year after working for companies like Calvin Klein, she decided to start using organic fabrics to set herself apart from other high-end women's wear lines and to keep in step with the global trend toward eco-friendly products. She works with fabrics made of bamboo, beans and charcoal, but her specialty is fabrics made of milk. "Unlike other organic fabrics, milk fabrics are very practical and versatile. I have made chiffon, jersey and sweaters with it." She has partnered with a Chinese company that makes and exports milk fabrics mainly to Norway, Italy and France. The company has supplied milk fabrics for use in bed spreads, blankets and furniture, but only rarely for a trendy women's wear brand. Seong will also launch a children's wear line that uses organic fabrics in December. Pret-a-Porter Busan takes place from next Thursday to Saturday at Bexco in Busan. Lea Seong's collection will be featured on Friday. For more information, visit <http://papbusan.com/>.

Source: Kim Hyung-eun via CNTEX

China's Export Pickup Still Slow Due to Cautious Christmas Shopping Season

DATE: 2009-11-11

CEO Willem van Walt Meijer of Mid Ocean Brands, a European high-end gift and business gift company, didn't lead his purchasing team to China this year until November, only a month away from Christmas. Headquartered in the Apeldoorn Area of the Netherlands, Mid Ocean Brands is an international company with more than 40 years of experience in the industry, importing and wholesaling gifts and wares, supplying a product range of approximately 4,500 different promotional gift items mainly in Europe. It has purchasing offices in Hong Kong, Shanghai and Guangzhou.

Especially for the Christmas season, foreign buyers usually order at least three or four months, or even a year, in advance. Christmas commodities land on store shelves starting in October when Christmas spending starts. Meijer notes that the current situation, greatly affected by the financial crisis, is not much changed from that at the end of last year. Consumption in Europe is still in the doldrums, and businesses are anxiously awaiting a Christmas sales boom. In October and November last year, the European market was in recession and didn't pick up until December. With people waiting until the last minute before making purchasing decisions, many retailers sold off inventory and stopped purchasing. The sales volume of Mid Ocean Brands, with 15,000 distributors, declined 20% and earnings dropped 30%. Now Meijer says he and other buyers have adopted a procurement strategy of "transforming the whole to zero," greatly limiting one-time purchases and inclining towards frequent small-volume orders. At present, inventories are significantly lower than those of a year ago.

"The whole supply chain is changing and export volumes find it difficult to return to original levels," says Wu Zhenchang, chairman of Guangzhou ChuangXin Shoes Industry Co., Ltd. Earlier this year, the company's export orders, annually averaging over \$100 million, decreased 30%-40%, and its workforce was reduced by 1/3. With Christmas orders now coming in, the factory is encountering a worker shortage, but unlike in previous years, Mr. Wu is in no hurry to recruit. "The annual shoe export volume of China is eight billion pairs. Five billion pairs are in circulation and the other three billion are in inventory warehousing," he says. At the just-concluded 106th Canton Trade Fair, foreign buyers were very cautious. EU and the US purchasing volume picked up a bit, with export turnover increasing by 16.2% compared with the spring fair, but it was still down 3.4% compared with last autumn's fair. According to Ministry of Commerce (MoC) research on this Canton Fair, orders under 3 months reached 59%, and 3-6 month orders were 33%. Short and medium-term orders accounted for over 90% of the total, indicating buyers' caution about the market outlook.

In this year's second half, China's export decline has narrowed. The MoC says China's current import/export situation is showing positive changes. The foreign trade decline may further slow or even slightly recover later this year. The decline of imports and exports is expected to drop to 20%, year-on-year. Still, compared with the V-shaped rebound of China's GDP, exports are experiencing quick decline and slow rebound. The trade situation for GuangBo Import and Export, a stationery export company, improved at the latest Canton Fair. It received more than 70 orders, for about \$20 million, 22% over the take from the last fair. Shu Yueping, the company's general manager, believes that there will be an export rebound in the fourth quarter, but it may be difficult to reverse of negative growth this year. At a recent seminar on textile enterprises conducted by the MoC and China Textile Import and Export Chamber of Commerce it was said that most companies have yet to rise from the bottom and it still needs time.

Mid Ocean's Meijer says a European revival in consumer spending is not expected to come until the middle of next year and it is still a great test for buyers in the fourth quarter this year and in the first quarter next year. The current small-volume model means stricter requirements for Chinese firms and some Chinese suppliers are facing a restructuring of production patterns. "After the financial crisis, buyers are more sensitive to price factors, but this is not the only factor, and they are also considering factors such as service, quality, safety, environmental protection, and design." Meijer says it is also critically important that suppliers deliver goods punctually. Meijer and his team also began researching Vietnam, Indonesia, Myanmar and other Southeast Asian countries this year. In his view, although goods produced in these areas are cheaper than those in China, supply chains, quality, and delivery speed are not as good. "Dependency" is the word he uses to describe his company's relationship with China, as 99% of his company's products are purchased from China.

If foreign buyers continue the strategy of purchasing small amounts, however, the outlook for export enterprises accustomed to winning large orders is not optimistic. Many firms are trying to transform to deal directly with retailers to improve profitability through their own brands and creative ideas. Dada, an Italian designer for NingBo Four Seasons Import & Export and the husband of the company's general manager, Bao Huihong, is leading a design team to assist the OEM-oriented firm to transform into a company with self design and proprietary brands, and has registered trademarks in Italy. At the Canton Fair, Bao Huihong brought new, own-brand products to sell. "An \$18 coat is sold at \$100. Although there is no growth in export volumes this year, profits are increasing," she says. The strategy of GuangBo is to increase profit through the introduction of new products and stronger design. Shu Yueping says that Chinese company buyers are choosing Chinese suppliers now also. Although terminal retailers' purchase volumes are not large, profit margins are substantial. Before the crisis, the end customers of this firm accounted for 20% of sales. After the financial crisis, end customers increased to 40%, and profits increased by 15%.

Chen Deming, minister of Commerce, noted at the Canton Fair that the growth of trade volume needs to be maintained next year and the quality of exports should be attended to. The construction adjustment of imports and exports should be focused in the future and firms should rely on increasing value-added products to occupy international high-end markets.

Source: chinastakes via CNTEX

China capturing Pakistan's export market to Australia

DATE: 2009-11-10

KARACHI: The strong presence of China is blocking the growth of Pakistani exports to Australia. Except rice, the red dragon of the east is the main supplier of those products, which are Pakistan's top exporting products, a study of Trade Development Authority of Pakistan (TDAP) revealed. China is the major competitor in the products of bedwear and towels and has captured around two-third of the Australian market. In case of towel, Bangladesh is enjoying a duty free market access, whereas Pakistan, India and China are facing 17.5 percent import duty.

It mentioned that during the last five years Pakistan's export to Australia was stagnant at around \$120 million. However, last year there was an increase of 13 percent in exports to the Australian market. On the other hand, Pakistan's import from Australia showed ups and downs in the previous years. However in year 2007 and 2008, it had increased significantly to \$484 million. Trade balance remained in favour of Australia and mostly the deficit was more than two and some time three times of Pakistan exports to Australia. Rice was biggest export item to Australia in 2008. Bed linen of cotton, bed linen of other textile material and towels were the second, third and fourth biggest items this year. Other important items' export has increased like surgical instruments, leather garments, leather gloves, gloves impregnated, knitted, curtains and broken rice while export of sports related items, cotton fabrics and footballs have decreased.

The study indicated that during year 2008-09, exports to Australia were on the decline and no commodity showed any indication that it would surpass except knitwear, surgical instruments and leather gloves. On the other hand, coal was the largest import item of Pakistan, which constituted 31 percent of total import from Australia. Colza seeds, phosphate fertilizer and lead were the second, third and fourth largest importing products. On the investment side, Australian investment in Pakistan turned negative with the outflow of \$73 million as portfolio investment last year, which otherwise was consistently increasing in the previous years.

Source: nation.ittefaq.com via CNTEX

Research Report on Chinese Textile Industry, 2008-2009

DATE: 2009-11-09

Chinese textile industry consists of cotton and chemical fiber weaving, printing & dyeing and finishing, wool weaving, dyeing and finishing, hemp weaving, silk weaving and finish machining, as well as the production of cotton, chemical fiber, wool, hemp and silk products. It has to be pointed out that Chinese textile industry does not include clothing manufacturing. Chinese textile industry has been in recovery from the downturn of January and February of 2009. A number of indexes in 2009Q2 indicate that Chinese textile industry has begun to recover. From January to May of 2009, the sales revenue of Chinese textile industry was RMB 781.296 billion, rising by 5.16% YOY. At the end of May 2009, the asset in Chinese textile industry was RMB 1.468828 trillion, increasing by 7.9% YOY; the number of enterprises was 31,459, rising by 2,944 YOY.

At the end of May 2009, the sales revenue per capita of Chinese textile industry was RMB 133,400, rising by RMB 7,800 YOY. The asset per capita was RMB 250,800, increasing by 20,000 YOY. The sales revenue per company was RMB 24.8354 million, reducing by RMB 1.9105 million YOY. The asset per company was RMB 46.6902 million, decreasing by RMB 2.4643 million YOY. Chinese government has strengthened the investment since 2009. Thus the fixed asset investment in the textile industry sees slight recovery. In 2009H1, the fixed asset investment in Chinese textile industry was RMB 78.081 billion, rising by 7% YOY. From January to May, the quantity of projects with over RMB 5 million (included) fixed asset investment was 5,766, rising by 2.98% YOY. In 2009H1, the output of Chinese yarn was 10.962 million tons, rising by 9.40% YOY. The outputs of

Source: China Textile Network Company

Shandong, Jiangsu, Henan, Zhejiang and Fujian ranked among the Top 5. The aggregate output of the five regions took up 73.75% of that in China. In 2009H1, the output of Chinese cloth was 25.8 billion meters, rising by 0.20% YOY. The outputs of Zhejiang, Shandong, Jiangsu, Hubei and Hebei ranked among the Top 5. The aggregate production of the five regions accounted for 75.66% of that in China.

In 2009H1, the output of Chinese cotton cloth was 14.58 billion meters, increasing by 1.70% YOY. The outputs of Shandong, Jiangsu, Hubei, Hebei and Henan ranked among the Top 5. The aggregate production of the five regions took up 76.67% of that in China. In 2009H1, the output of Chinese pure chemical fiber cloth was 7.04 billion meters, decreasing by 0.4% YOY. The outputs of Zhejiang, Jiangsu, Fujian, Shandong and Guangdong ranked among the Top 5. The aggregate production of the five regions took up 94.20% of that in China. In 2009H1, the output of Chinese printing and dyeing cloth was 24.227 billion meters, rising by 3.38% YOY. The outputs of Zhejiang, Jiangsu, Guangdong, Shandong and Fujian ranked among the Top 5. The aggregate production of the five regions accounted for 89.84% of that in China. In 2009H1, the output of Chinese cord fabric was 227,700 tons, increasing by 0.37% YOY. The outputs of Jiangsu, Shandong, Zhejiang, Henan and Anhui ranked among the Top 5. The aggregate production of the five regions took up 95% of that in China. In 2009H1, the output of Chinese yarn-dyed fabric was 919.5949 million meters, rising by 9.36% YOY. The outputs of Jiangsu, Shandong, Zhejiang, Hunan and Guangdong ranked among the Top 5. The aggregate production of the five regions took up 84.90% of that in China.

More information can be browsed: <http://www.shcri.com/reportdetail.asp?id=381>

Source: China Research and Intelligence via CNTEX

Expo slated over stands from China

DATE: 2009-11-09

THE 11th International Apparel, Textile, Footwear and Machinery Trade Exhibition held at the Cape Town International Conference Centre last week has come under fire from the Apparel Manufacturers of SA for undermining the government's policy of reversing de-industrialisation. SA's clothing and textile manufacturers were battling to compete with low-priced or illegal imports, mainly from the eastern Asia, even before the global recession hit consumer spending. Many firms, which were substantial employers, have closed their doors in the past few years. According to a statement from the organisers of the Cape Town conference, LTE SA, more than 120 Chinese clothing and textile manufacturers exhibited at the event, aimed at offering local retailers and importers an opportunity to do business with local and international suppliers.

Although the association supported any trade initiative that tried to introduce developmental trade practices where competition was fair, this expo fell "far short" of such goals, a apparel manufacturers' spokesman Johann Baard said last week. LTE MD Deirdre Harte said the conference organisers had tried for years to get the Apparel Manufacturers to exhibit at the show because it attracted a number of top buyers. Although it cost very little to exhibit, and about 20 of the smaller local manufacturers had stands every year, the big clothing companies declined. "If they don't want to support the exhibition, China will capture their market," she said. Asked whether the association wanted trade expos in this sector banned outright, Baard said the association would prefer SA to engage with its Chinese counterparts at trade association and government level and find a better-thought-out approach to trade expos, so that there was a greater prospect of mutual gain. National Clothing Retailers Federation of SA director Michael Lawrence said it was the joy of the free market that everyone had an opportunity to exhibit what they made and why it added value to markets. Managing expos, which in SA were often supported by trade unions, was not the answer.

University of Cape Town's school of economics professor Don Ross said Baard seemed to imply that the South African government should prevail upon the Chinese government to interfere with the marketing of Chinese clothing and textile products in SA. Such interference would be illegal under the Uruguay Treaty of the World Trade Organisation."It is highly unlikely that interference with clothing and textile trade fairs in SA, even if this were legal, would make any difference to volumes of imports," Ross said. "Most Chinese-made garments sold in SA are products on the "value" end of the continuum, that is, are aimed at the sector of the consumer market that puts most emphasis on attractive prices. Retailers have many channels for becoming aware of new product lines available in this category."Ross said protectionist measures would make South African clothing less, not more, globally competitive.

Source: CNTEX

China-Africa trade, economic cooperation create "win-win" situation for both sides

DATE: 2009-11-09

The robust trade and growing economic cooperation between China and Africa have created a "win-win" situation for both sides, which are complementary in a wide range of aspects. Since the year 2000, China-Africa trade have been enjoying an annual growth rate of 33.5 percent, reaching 106.8 billion U.S. dollars in 2008. The target set at the 2006 Beijing Summit of China-Africa Cooperation Forum to push trade volume to 100 billion dollars by 2010 was met two years ahead of schedule. As trade grew so rapidly, China has also issued several favorable trade policies toward imports from Africa. China has offered zero-tariff to exports from certain least-developed African countries, and organized exhibitions of African products in China so as to boost imports.

To help African countries ease the impact of global financial crisis, China's favorable tariff policy toward African imports have covered 500 product categories. A total of 890 million dollars worth of goods have been imported under this favorable policy. For China, 53 African countries with a total population over 800 million, also have huge market potential. China's exports of manufactured goods, such as textiles and electric devices, have been enjoying steady growth. The African continent, rich in resources and with a huge market potential, has also offered great opportunities from Chinese companies in their expansion efforts. Africa has turned out to be a hot destination of Chinese investment. By the end of 2009, China had over 7.8 billion dollars direct investment in African countries. Against the backdrop of the sweeping global financial crisis, China's has made some 875 million dollars investment in Africa during the first nine months of this year, a 77.5 percent increase year on year. Much of the investment was focused on infrastructure projects and other programs that benefit the local people.

Apart from the investments, China has also provided assistance to the best of its ability to African countries through nearly 900 projects covering areas such as farming, animal husbandry, fishery, light and textile industries, transportation, radio communication, water conservation, electricity supply, machinery, as well as public and civil construction. Three years after the Beijing Summit of China-Africa Cooperation Forum, China's trade and economic ties with Africa have been significantly strengthened. On Nov. 8-9, the two sides will hold their fourth ministerial meeting for the China-Africa Cooperation Forum. During the meeting, ministers from China and African countries will have a review of the achievements made during the past three years, and look forward to new ways to further expand cooperation channels.

Source: Xinhua via CNTEX

'Made in China' now made in Egypt

DATE: 2009-11-09



With cheap labour, investment incentives and unrestricted exports, one Chinese textile group has turned to Egypt as an ideal location to produce its ready-made garments, beating stiff competition at home. The Chinese-owned Nile Textile Group has set up shop in the Port Said free zone, overlooking the north entrance of the Suez Canal, and developed an industrial estate now hiring 600 workers, 20 percent of which are Chinese and the rest Egyptian. Cheap raw materials favourable export conditions have given the company easy access to foreign markets.

It's a bargain for the Nile Textile Group, which imports 60 percent of its basic products tax free and then sends them outside Egypt, mainly to the United States. Most of their cut-price clothes are now labelled "Made in Egypt" rather than "Made in China". "Egyptian free zones allow for export all over the world with almost no restrictions," said Mohammed Abdel Samie, the industrial estate's administrative director. Local salaries are low enough to compete with those of Chinese workers, even with a system of bonuses offered to the Egyptian workers at the end of each month. "In the factories where salaries are fixed, we earn a maximum of 700 to 800 Egyptian pounds (around 130 to 150 dollars) a month. In this company, it works out better for us," said factory manager Mansur al-Said. In the neon-lit factories, Egyptian workers in headscarves work side by side with Chinese technicians in white blouses to the thumping sounds of the sewing machines. Instructions are posted in Arabic and in Chinese.

As for the daily communication between colleagues, a little extra work was required. "They taught me a few words of Chinese and they are learning Arabic," Leila Ali, a seamstress, told AFP. Around 950 Chinese companies have set up operations in Egyptian free zones, representing a total investment of nearly 300 million dollars. Most of them work in industry (526 companies), 306 companies are in the service industry, 31 in the agricultural sector and eight in tourism, according to Egypt's General Authority for Investment (GAFI) which oversees free zones in the country. It is hoped the Forum on China Africa Cooperation (FOCAC), which kicks off on Sunday in the Red Sea resort of Sharm el-Sheikh and attended by about 50 states, will speed up the rhythm with the signing of a Chinese-Egyptian agreement to encourage more investment in the country. The meteoric increase in economic cooperation between China and Africa in the last few years will be at the heart of the summit, which will be attended by Chinese Prime Minister Wen Jiabao and Egyptian President Hosni Mubarak. Direct Chinese investment in Africa leapt from 491 million dollars in 2003 to 7.8 billion dollars in 2008. Trade between the two has increased tenfold since the start of the decade. FOCAC is held every three years and this will be the fourth since it started in 2000.

Source: CNTEX