

EXTRACT

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China exports lost \$50.5B over technical barriers

DATE: 2009-06-26

China lost US\$ 50.5 billion in exports last year because of technical measures by foreign countries, the country's quality supervisor said Thursday.

The figure rose from US\$49.5 billion in 2007 and US\$35.9 billion in 2006, the General Administration of Quality Supervision, Inspection and Quarantine (AQSIQ) said.

The agency said 36.1 percent of exporters were affected by the trade barriers in 2008, up 1.5 percentage points from the previous year.

Machinery and electronic products, farm produce, textiles, wood and paper were among the most-affected products.

Technical measures were mainly related to toxic materials, technical standards, certificate requirements, packaging and environmental requirements, the AQSIQ said.

Technical measures were the second-biggest obstacle to exports, after the appreciation of the Chinese currency, it said.

Source: *China Daily*

China Textile Exports Estimated 10 Percent Negative Growth in H2 2009

DATE: 2009-06-26

According to data from General Administration of Customs, from January to May this year, China's exports of clothing and accessories registered US \$36.82 billion, down 8.1 percent year-on-year; exports of textile yarn and fabrics realized US \$22.03 billion, down 15.5 percent year-on-year.

The downturn of international market has affected confidence of business investment, from January to April this year, textile industry completed investment of 68.1 billion Yuan in fixed assets, up 1.6 percent year-on-year, but annual growth rate fell 16 percentage points.

Source: China Textile Network Company

In addition, domestic apparel consumption also slowed down, which increased difficulties for export enterprises to shift their export products to domestic market. In April this year, total retail sales of clothing grew 14.0 percent, lower than growth rate of 14.8 percent in total social retail sales, while retail sales of clothing was usually 5 percentage points higher than total social retail sales in the past.

Industrial experts point out that textile and garment exports will vibrate in low level for some longer time, it is estimated to realize a 10 percent negative growth in the second half, the most optimistic expectation is that the fourth quarter of this year will begin to see signs of warm-up.

Before the world economy bottoms out, Chinese textile enterprises do not only face reduced orders, but also face price risks. In the course of waiting for the spring in anxiety, many textile enterprises have to make price concessions to attract orders for stabilizing production. At the 105th Canton Fair concluded in early May, price competition was fierce, transaction price of textiles and apparel generally drop 5 to 20 percent, which means that enterprises will face increased export risks in the next few months.

Domestic cotton price rose from 11,000 Yuan / ton at the beginning of this year to current 13,000 Yuan / tons, import cotton price also increased from January to May.

In the first 5 months of this year, Europe and the United States significantly increased their efforts of recall activities against Chinese textiles and apparel.

Experts point out that price cut can only play an important role temporarily, in the long run, enterprises should focus on brand build and technological innovation. Order will tend to concentrate in high-quality enterprises.

Source: ccfgroup

China's economy has bottomed out

DATE: 2009-06-25

Statistics showed the decline in China's economy has bottomed out, said an article posted on the website of the National Bureau of Statistics (NBS) Tuesday.

A series of macro-control policies launched since the fourth quarter last year helped prevent the economy from slumping and China's economy now showed positive changes with the positive factors accumulating, said the article by Guo Tongxin from the Department of Comprehensive Statistics in the NBS.

The bottom of this round of economic downturn in China should be at the fourth quarter in 2008 and the first quarter this year, based on the year-on-year GDP changes, the article said.

GDP growth was 9 percent in the third quarter in 2008, then slumped to 6.8 percent in the fourth quarter and further down to 6.1 percent in the first quarter in 2009.

GDP in the second quarter this year was expected to be almost 8percent judging from the current GDP growth and main economic indexes in April and May, the article said.

The quarter-on-quarter GDP changes proved the bottom should be at the fourth quarter last year, the article said.

GDP growth was 2 percent up in the third quarter in 2008 from the previous quarter, 0.1 percent up in the fourth quarter, 1.5 percent in the first quarter this year and was expected to be 2 percent in the second quarter, the article said.

Figures on industrial output showed the bottom should be from November in 2008 to February in 2009, the article said.

Industrial output was rebounding since March and the figure in May was almost at the same level as in October last year. Industrial output was 8.3 percent up in March year on year, 7.3 percent up in April and 8.9 percent up in May.

Industrial output in the fourth quarter last year was down 3.4 percent from the previous quarter, but the figure in the first quarter this year was 3.2 percent up quarter on quarter.

Steel production began expanding in December last year and reached 1.85 million tonnes in May, the top level since last year.

Daily power generation began growing from March this year with figures topping 9 billion kilowatt-hours in March, April and May and almost 10 billion kilowatt-hours in the first ten days of June.

Despite these positive indices, China's economy faced obstacles to maintaining a stable economic rebound because of recession in most parts of the world, sluggish demand for Chinese products, production overcapacity in some industries and possible inflation, the article said.

Source: Xinhua

Delegations from China to seek investment opportunities

DATE: 2009-06-24

It is learnt that four large official delegations from Mainland China will for the first time arrive in Taiwan, June 24th onwards, aiming to find opportunities for making investments in Taiwan.

The first trade mission from Mainland China to arrive in Taiwan on June 24 will be from the electronics industry, which in turn will be followed by a group from the business services sector.

This will be followed by another delegation from the construction sector and the last trade mission to land in Taiwan will be from China's textile industry on July 5, to look for mutual cooperation.

About 30-50 scholars and experts from China Economic and Trade University will also arrive in Taiwan on July 6 to expand investment cooperation and exchanges between the two sides.

In addition, on a reciprocal basis, Taiwan also does not rule out the possibility of sending a high-level delegation to Mainland China either in July or August for the purpose of attracting investment.

Source: Fibre2fashion News Desk - India

HK Lays Firm Foundation in Biotechnology and Nanotechnology

DATE: 2009-06-24

A Hong Kong, China, official, speaking at Sino-Italian TechX, an exchange forum between Italy and China on biotechnology and nanotechnology, said that Hong Kong has laid a firm foundation for developing biotechnology and nanotechnology in the years to come. Nicholas Chan, assistant commissioner for innovation and technology, reported that "Hong Kong has built excellent upstream research in biotech and nanotechnology.

Our universities count among the very best in Asia- Pacific region in teaching and research achievements. Our world-class achievements include the successful fabrication of the world's smallest single-walled 0.4nm carbon nanotubes." The Hong Kong Special Administrative Region (HKSAR) established an Innovation and Technology Fund in 1999 with an allocation of US\$645.79 million to support research and development projects that would enhance Hong Kong's international competitiveness.

According to Chan, "[T]o date, the fund has supported about 1,400 projects with a total investment of about 4 billion HK dollars (516.63 million U.S. dollars), biotech and nanotech account for more than 12 percent of the funding. In the nanotech area, projects that have been supported include those in nanomaterials, nanoelectronics, green nanotech, nanotech for textile and apparel applications, and nanotech for medical and healthcare applications." Chan said the HKSAR government will continue its investments in both fostering stronger research and nurturing a thriving industry.

Source: Xinhua

Analysis of chemical fibre products imp. & exp. in Jan.-Apr. 2009

DATE: 2009-06-23

Some Sectors See Upbeat Signs, Although No Near-term Turnaround Is Anticipated
Analysis of chemical fibre products imp. & exp. in Jan.-Apr. 2009

It's been another disappointing year for the hard-pressed chemical fibre foreign trade sector. China's imports and exports of chemical fibre products saw a continued decline in the first four month from a year earlier. Included were 2.272 billion dollars from imports, down 15.41 per cent; and 17.838 billion dollars from exports, down 6.31 per cent.

Material imports slump
Synthetic fibre

Synthetic fibre imports volume showed a two-digit decrease in the first four months from the year-earlier period, and imports price also showed a 20-60% decrease. Included were 756.31 million dollars from Korea, down 24.91 per cent; 400.39 million dollars from China Taiwan, down 36.07 per cent and 139.11 million dollars from Thailand, down 17.56%.

Manmade fibre

Manmade fibre imports fell sharply by 18.00 per cent in the first four month from a year earlier, totaling 0.1993 million U.S. dollars. Imports price slumped 35.17 per cent. The data of chemical wood pulp is as follow: 422.44 million dollars from Canada, down 26.82 per cent; 19.417 million dollars from U.S., down 33.49 per cent and 306.22 million dollars from Chile, up 2.25%.

Table 1. China's manmade fibre imports by category in Jan.-Apr. 2009

Category	Accumulated value (\$10,000)	Accumulated unit value (\$10,000/ ton)	Y-on-Y Change (value, %)	Y-on-Y Change (unit value, %)
1.2- glycol	97070	0.05	-55.85	-60.48
terephthalic acid	145057	0.07	-23.43	-23.6
nylon salt	496	0.15	-55.85	-25.24
acrylonitrile	12329	0.09	-38.66	-53.76
6- caprolactam	23470	0.12	-46.77	-50.2
polyester chip	6258	0.1	-16.3	-30.99

Source: China Customs

Staple fiber and yarn exports continue to fall

Staple fiber and yarn exports plummeted in the first two months from the year-earlier period, marking a first negative growth since 1999. Take polyester filament yarn for an example: 17.65 million dollars to India, down 55.89 per cent; 18.47 million dollars to Korea, down 55.88 per cent and 18.34 million dollars to Turkey, down 76.75%.

Table 2. China's staple fiber and yarn imports by category in Jan.-Apr. 2009

Category	Accumulated value (\$10,000)	Accumulated unit value (\$10,000/ ton)	Y-on-Y Change (value, %)	Y-on-Y Change (unit value, %)
polyester staple fiber	10145	0.1	-45.89	-20.97
polyester staple yarn	4619	0.18	-30.83	-17.81
polyester filament yarn	27596	0.14	-46.12	-23.03
nylon staple fiber	1082	0.72	-42.98	-3.09
nylon staple yarn	789	0.82	-19.35	-1.79
nylon filament yarn	8194	0.32	-30.72	-15.79
acrylic staple fiber	343	0.19	-68.94	-23.69
acrylic staple yarn	9735	0.28	-25.10	-13.68
rayon staple fiber	2605	0.18	-72.14	-32.09
rayon filament yarn	6787	0.39	-8.04	-13.78

Source: China Customs

Export prices edge up

From January to April, China's total chemical fiber textiles exports decreased by 13.81 percent from a year earlier to 2.59911 billion dollars, and that was 26 percentage points less than the growth rate during the same period last year. Average price edged up to 0.83 dollars/metre.

The four spotlights

Although a financial and economic crisis hardly creates a favorable environment for chemical fibre products foreign trade, some sectors gets new spotlights.

Source: China Textile Network Company

Firstly, polyester filament yarn export to Pakistan maintained two-digit growth, growing 17.19 per cent from a year earlier.

Secondly, nylon filament yarn export to Iran records three digit growth, growing 208.67 percent from a year earlier. Besides, nylon filament yarn export to major countries including India, Pakistan, Spain, and Philippines went up: 6.40 million dollars to India, up 85.19 per cent; 3.23 million dollars to Pakistan, up 83.79 per cent, 1.49 million dollars to Spain, up 128.47% and 1.34 million dollars to Philippines, up 91.87%.

Next, Bengal led acrylic staple yarn imports with a main import value of 34.87 million dollars, up 2.76 per cent from a year earlier.

Last but not least, Pakistan led rayon filament yarn imports with a main import value of 16.47 million dollars, jump 2.76 per cent over last year.

Source: CNTEX

World Bank raises China's 2009 growth forecast to 7.2%

DATE: 2009-06-23

World Bank Thursday raised its forecast of China's economic growth rate to 7.2 percent in 2009 from its earlier forecast of 6.5 percent, as the country's expansionary fiscal and monetary policies have kept the economy growing respectably.

It projects the gross domestic product (GDP) growth of the world's third largest economy to reach 7.7 percent in 2010 in its China Quarterly Update report released here Thursday.

Growth in China should remain respectable this year and next, although it is too early to say a robust sustained recovery is on the way," said Ardo Hansson, World Bank's Lead Economist for China.

The Update, a regular assessment of the Chinese economy, finds that the fiscal stimulus is centered on the 4-trillion yuan (585 billion U.S. dollars) stimulus plan while the monetary stimulus has led to a surge in new bank lending.

Positive signs have emerged in the real estate sector. Consumption has held up well. Very weak exports have continued to be the main drag on growth, while import volumes have recovered in the second quarter this year as raw material imports rebounded," said the report.

Global growth prospects remain subdued even as signs of stabilization have emerged. Financial markets have become less strained and there are prospects for stabilization of activity. However, a rapid global recovery seems unlikely and uncertainty remains, according to the report.

The Asian Development Bank (ADB) forecast in a March report that China's economy might expand by 7 percent this year.

Zhuang Jian, a senior economist with the ADB office in Beijing, told Xinhua earlier last month that judging from current conditions, China's economic growth might exceed ADB's earlier forecast.

Liu Mingkang, chairman of the China Banking Regulatory Commission, forecast on June 12 here that China's economic growth would stand at around 8 percent this year.

Liu said China's domestic demand had been recovering steadily and credit growth remaining high, indicating that the series of economic stimulus plans have paid off, while China's economy still faced

severe challenges, including sluggish overseas demands, rising unemployment, and an unstable international economic and financial situation.

Source: Xinhua

15th China's Int'l Chemical Fiber Conference Closed

DATE: 2009-06-22

The 15th China's International Chemical Fiber Conference* was held at Hangzhou, Zhejiang Province on Jun 10-12, 2009. The theme of the conference is "Financial Crisis and Chemical Fiber Industry". Hundreds of delegates from more than 30 countries took part in, seeking the sustainable development plans for chemical fiber industry.

Gu Chaoying, experts from Information Center of China Chemical Fiber Association in the conference was noted that PTA capacity will continue to grow in 2005-2010. In accordance with "Accelerating Implementation Plan of Large-scale Petrochemical Equipments" issued by the National Development and Reform Commission recently, during the 11th five-year-plan period (2006-2010), the localization rate of China's 600-1000kt/yr PTA plants is targeted to reach above 75%.

At the end of 2005, PTA production capacity has rapidly increased to a total of 6.7 million tons. After the expansion in 2006-2007, the domestic PTA production capacity has reached 12.56 million tons at the end of 2008. China's PTA capacity now accounts for 1 / 3 of Asian total and over 1 / 4 of world total.

The output of polymer amounted to 18.70 million tons in China in 2008, down about 250 kt from 2007, due possibly to the global economic meltdown. These productions consumed technically 16.10 million tons of feedstock PTA, which implied that China still lacked 800kt PTA supply that year. This part of gap was filled mostly by imported materials. Usually, Asian countries, for example Korea and Thailand were the major origin for the products. According to statistics, the influx of PTA from Asian countries totaled around 5.93 million tons in 2008, accounting for 98% of total imports. Other 20 kt imports were from North America and Europe. Many market analysts forecast an obvious PTA overcapacity in Asia after 2010-2011, which may cause a flow of PTA to other countries and regions of the world.

In China, Zhejiang and Jiangsu consumed the majority of PTA imports in 2008, as the region has the polymer production accounting for more than 70% of national total.

According reports about PTA constructions, China's domestic PTA capacity is expected to reach 16 million tons per year in 2009-2010. After 2011, the capacity may hit fresh peaks, pushing self-supply ratio to more than 80%.

PTA producers that had invested on new plants were encouraged by expanding downstream polyester capacity. In 2008, China started up 11 new continuously polymerization units, with total capacity of 1800kt/yr. China boosted its whole polyester capacity to 24.92 million tons per year, up about 8% from previous year, including 24.05 million tons per year of continuously polymerization and 870kt/yr batch polymerization. Although growth rate slowed down by 1% compared with 2007, absolute new capacity grew similarly to 2007, with 1860kt/yr.

In 2009, it is expected that 6 new polyester units will be on stream, with 1000kt/yr capacity, up about 4% from last year. In 2008-2009, polyester capacity will expand 2800kt/yr. In 2010, China polyester capacity will reach approximately 26 million tons per year. As feedstock PTA capacity has already been very large in China, some companies are willing to invest on upstream materials. In 2009-

2011, China will have many new PX capacity on line, but investment fever will colds down greatly after 2012. The market will also tend to be saturated, with increasing supply and fiercer competition.

The 15th conference will be hosted by China National Textile Industry Council, with the support of China Chemical Fibers Association, China Textile International Exchange Center and People's Government of Xiaoshan District. Xu Kunyuan (Vice-president of China Textile Industry Association), He Yanli (Vice-director of Industry Coordination Department of NDRC), Zheng Zhiyi (Chairman of China Chemical Fibers Association), Wang Wei (Vice-director of Consumables Department of MIIT), and some other leaders of China Chemical Fibers Association presented the meeting.

The conference was initiated in 1985 by the United Nations Industrial Development Organization (UNIDO) and the former Chinese Ministry of Textile Industry, or the textile authority then in China.

Source: www.ccfgroup.com

Shrinking overseas demand, increasing trade frictions challenging China's textiles export

DATE: 2009-06-22

The international financial crisis has severely affected China's textile and clothing industry and exports have sharply declined, according to an analysis report recently published by the General Administration of Customs.

Although there has been a trend of stabilization and recovery in the industry over the past two months, overseas market demand remains very weak and the risk of trade frictions is increasing, which is a cause for concern.

According to customs statistics, exports of textiles and clothing (including thread and yarn, textile fabrics, clothing and accessories) totaled 46.56 billion USD in the first four months of this year, a drop of 10 percent year-on-year. The rate of decline is notably lower than the 20.5 percent rate of decline in the nation's overall exports in the same period. The export of textiles and clothing accounts for 13.8 percent of China's total exports a proportional increase of 1.6 percent year-on-year.

The report said that overseas market demand has not recovered, in spite of the stabilization and rebound in China's textile and clothing exports in the past two months. A recent survey by the China Chamber of Commerce for the Import and Export of Textiles on 200 large textile enterprises showed that their export orders in the first half of this year dropped by between 20 and 30 percent.

At the same time, international protectionism has increased. In the first quarter of this year, the number of recall notices issued by the US Consumer Product Safety Commission on China's textiles and clothing rose nearly 20 percent year-on-year, while those issued by the Non-food Rapid Warning System of the European Union increased by 6.3 times.

Source: *People's Daily Online*