

**EXTRACT**
**Content:**

- **Nationwide crackdown on statistical forgery**
- **China workers' morale suffers piece by piece**
- **China's textile machinery industry becomes world's largest textile machinery manufacturer**
- **Zhongfu Shenying carbon fiber & key equipment program completed**
- **PMI in expansion mode during May**
- **Exports key to New Zealand textile industry future**
- **PPI up 6.8% in April, clothes slight growth**

**Nationwide crackdown on statistical forgery**

DATE: 2010-06-04

A nationwide examination of statistical work will start soon, media reported Thursday. Figures like gross domestic product (GDP), industry output, grain yield, income of urban and rural residents, etc, will be the focus of the examination. The National Bureau of Statistics of China, Ministry of Supervision, and Ministry of Justice started examining the statistical process with the aim of rooting out deceptive acts and create trust and a transparent statistical working environment. The examination will focus on the process of data collection, analysis methods, etc, to see whether there are any illegal statistics collections, fake figures, forgeries or arbitrary statistics publications, etc.

Source: *Chinadaily.com.cn* via CNTEX

**China workers' morale suffers piece by piece**

DATE: 2010-06-03



Every T-shirt is ironed at least once in its lifetime - as part of the packaging process. At a large textile plant in southern China, employing tens of thousands of workers, young men iron T-shirt after T-shirt at an amazing clip. Their jerky movements are so quick and efficient, it is like watching a video on fast forward. They do so for eight hours a day, and longer when working overtime. Their piece-rate pay structure is a function of output. The faster they work, the more T-shirts they iron, the more money they make. More than conditions on the factory floor or in worker dormitories; it is the nature of work itself that is coming under increasing scrutiny after a series of worker suicides at Foxconn, a large Taiwanese electronics manufacturer, and an unprecedented strike at a Honda transmission plant. Both are located in Guangdong's Pearl river delta, a manufacturing belt north of Hong Kong that produces one-third of China's exports.

Workers just don't want to do the same job every day of every week, admits the chief executive of the textile plant, where young men iron t-shirts at fast-forward speed. It's very mind-numbing and must be very depressing. The problem is that the processes workers find monotonous are valued by companies for their efficiency. Even the textile plant's higher-skilled cutters and sewers are rewarded for quantity as much as quality. Each worker concentrates on [cutting] one particular piece

Source: China Textile Network Company

of the shirt and are paid on a piece-rate basis, the chief executive says. We do try to provide some variety but there is a trade-off with efficiency. Guangdong government officials, including the province's powerful party secretary, Wang Yang, hope that their export sector's migration to higher tech, higher value manufacturing will change young workers' lives for the better. But high-tech plants too harbour low-tech assembly processes. At one contract manufacturer that competes with Foxconn, a typical printer line is broken down into 230 worker stations and produces 1,200 printers over the course of an eight-hour shift.

Each worker focuses on one particular task, which they do standing up and which may have been assigned on as random a criterion as height. He or she will also be familiarized with the tasks done by two or three stations before them on the assembly line, in part so they can act as a quality control check on their colleagues' work. The process is very stratified, a line manager at the plant says proudly. We are constantly examining how we can further optimize the process and realize even higher returns. But whether Chinese factory workers will continue to support profit maximisation is another question. Judging from recent uprisings in China's south, quick turnover may not be a guarantee in the future.

*Source: FT via CNTEX*

### **China's textile machinery industry becomes world's largest textile machinery manufacturer**

DATE: 2010-06-03

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With the rapid development of textile industry, China's textile machinery industry also enjoys an occasion for development, and become the world's largest textile machinery manufacturer. But the scale of China's textile machinery enterprises is small in general, with low technological content of products. At present, China-made textile machinery and equipment account for 80 percent of domestic textile machinery market, less 50 percent of sales share, and only 15 percent of gross margin, so loss coverage is high. The financial crisis has exposed shortcomings of the industry, such as low technical content of existing products, low profitability; therefore, it is imperative to carry out industry adjustment and transformation.

From export situation, China's textile machinery exports mainly concentrate in Asia, many countries in Asia also face adjustment of product structure, so demand of high-end and complete sets of textile machinery will gradually expand. China's industry has obvious advantages compared with textile trade powers of India, Pakistan, Bangladesh, Turkey, particularly in cotton spinning equipment, complete sets of polyester equipment and printing and dyeing equipment, therefore, it is an important way to improve international competitiveness of the industry by accelerating implementation of gradient transfer of products, increasing direct investment in the above-mentioned areas, vigorously implementing export strategy, and seeking for new ways of upgrading technology.

This year is a crucial year for textile industry and enterprises to increase structural adjustment and realize industrial upgrading. China Ministry of Industry and Information Technology specifies that the percentage of high-tech products in sales should increase from original 40 percent to 60 percent, the proportion of research and development fund of high-tech products in total corporate sales should increase from original 2 percent to 5 percent each year.

*Source: ccfgroup via CNTEX*

## Zhongfu Shenying Carbon Fiber & Key Equipment Program Completed

DATE: 2010-06-03

By Guo Chunhua

CNTAC organized a technology achievement appraisal meeting in Lianyungang for the program of R&D of Annual Output 2500 Ton PAN fiber & 1000 Ton T300 Carbon Fiber, as well as the Equipments, which were completed by the joint effort of Zhongfu Shenying Carbon Fiber Co., Ltd., Lianyungang Yingyong Textile Machinery Co., Ltd, and Donghua University. Wang Tiankai, the Vice President of CNTAC, Sun Jinliang, Yao Mu, the academicians from the Chinese Academy of Engineering, and Ye Yongmao, the vice President of China Chemical Fiber Association were present at this meeting.

This program included the technologies of purification of ion exchange resin chelation, one-step continuous large stable polymerization, basic solution ammoniation and high pressure steam drafting, producing the quality PAN fiber; developing quick pre-oxidation, tar-free carbonization treatment, and the assorted oiling agent, producing the carbon fiber equaling to Toray T300. It is reported that this program had applied for six patents for utility model, and ten patents for invention. It also formed a complete standard and all equipment could be made in home. The whole technique reached the international advanced level.

“The production capacity of raw fiber line could reach 3.5 million tons. This is the top one in China now. While another 5 million tons production line is under construction. The key benefit of this program is that whole technique is domestically produced, which is a breakthrough in this field.”

Sun Jinliang, the director of this appraisal commission commented that Zhongfu Shenying Carbon Fiber could realize a large scale production in a short time. This not only broke the technology blockade from overseas, but also help improve the textile industry upgrading and the national security and economy development.

Source: CTEI News

## PMI in expansion mode during May

DATE: 2010-06-02



Workers melting steel products at a Nanjing factory. The official PMI for May stood at 53.9, down from 55.7 in April. [An Xin / China Daily]

The slower expansion pace of the Purchasing Manager's Index (PMI) for the manufacturing sector in May still demonstrates the economy's robust growth potential and should not be viewed as an economic moderation due to seasonal factors, analysts said.

The PMI for May stood at 53.9, 1.8 points down from 55.7 in April, but still higher than the economic expansion boundary of 50 for 15 consecutive months, the National Bureau of Statistics and the Federation of Logistics and Purchasing said on Tuesday. Some analysts said the PMI was probably declining from April due to policy tightening, but the magnitude of the fall was overstated due to seasonal distortion. "Although the PMI compilers claim that

they have seasonally adjusted the time series, the adjustment is obviously incomplete," said Ma Jun, chief economist of Deutsche Bank, China.

Since the PMI was first released in 2005, on average the May figures have been around 3 points lower than those of April and June. The seasonal distortion has to do with the May holidays and the

Source: China Textile Network Company

changes in the holiday schedules, which may affect the number of working days as well as work efficiency, he said. Manufacturing activity generally weakens during the three-day May Day holiday. Lu Zhengwei, senior economist at the Industrial Bank Co Ltd, said the slower expanding pace of PMI is definitely not an indication of possible economic double-dip, as declines of sub-indexes like orders, input prices and raw material inventories are still significantly smaller than the same period in previous years.

"The PMI figure shows that overall economic activity and private investment needs further motivation for sustainable growth as manufacturing growth slows down," he said. The PMI released by HSBC declined by 2.5 points to 52.7 in May, a continuous decline for two months, and set the lowest record since last June. The new export orders index in the official PMI reported the best performance with a decrease of only 0.7 points in May compared with April. Stripping off the impact of the seasonality, the new export orders index was probably still rising despite the European sovereign debt crisis, analysts said. The new orders index fell by 5.5 points to 54.8, suggesting that possible deceleration of the economic activity was largely domestic in nature.

*Source: China Daily via CNTEX*

### **Exports key to New Zealand textile industry future**

DATE: 2010-06-01

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Textile industry representatives have been delivered a strong message: that their future lies in exporting. Textile New Zealand chairman Ian Barbour told the national conference in Wellington that the once heavily-protected sector that employed 50,000 people has had to adjust to the realities of free trade. He says any future growth is going to have to come from exports, and New Zealand needs to be in the quality, luxury market. The high-end part of the market within New Zealand is not big enough to sustain the industry, he says. Textile New Zealand chief executive Elizabeth Tennet says the free trade agreements that have opened up the industry to competition from imports also provide the opportunity to turn the tables. She says China has a fast-growing middle class which can afford to buy luxury New Zealand items, and the free trade agreement will allow that.

*Source: Kohan Textile Journal via CNTEX*

### **PPI up 6.8% in April, Clothes Slight Growth**

DATE: 2010-05-26

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The State Bureau of Statistics released the major national economic figures of April on May 11th. The PPI grew 6.8% (last year, -6.6%). That was 0.9 points higher than that of last month. The accumulated PPI grew 5.6% (last year, -5.1%) from Jan. to Apr. That's 0.4 points lower than that of first quarter. The PPI of production goods grew 8.5% in April, while living goods PPI grew 1.4%. The clothes product PPC grew 1.6% this month.

*Source: CTEI News*