

**EXTRACT**
**Content:**

- **China Cotton Imp. & Exp. in Jan.-Dec. 2009 (monthly report)**
- **China's largest small commodities market continues recovery**
- **China's textile industry output rises 10%**
- **China seen as a motor of global economy**
- **Jinzhou: Textile Industry profit and tax soar 90%**
- **Henan: Garment Industrial zone laid the foundation**
- **China Textile Industry report 2009/10 (part A)**
- **Pak-China trade may reach \$15 billion by 2012**
- **Technical Textiles: emerging opportunity**

### China Cotton Imp. & Exp. in Jan.-Dec. 2009 (monthly report)

DATE: 2010-02-05

Cotton is the single most important textile fiber in the world, accounting for nearly 40 percent of total world fiber production. While some 80 countries from around the globe produce cotton, the United States, China, and India together provide over half the world's cotton. In 2008, China's cotton output reached 7,490,000 tons and imports registered 2.11 million tons; yarn production completed 21.49 million tons, giving it the number-1 rank in the world. This monthly update provides official CNTAC (China National Textile & Apparel Council ) data on China import and export of cotton.

| <b>Category</b>   | <b>Import amount<br/>(10,000 tons)</b> | <b>Import value<br/>(10,000 US\$)</b> | <b>Export amount<br/>(10,000 tons)</b> | <b>Export value<br/>(\$ 100 million)</b> |
|-------------------|--|---------------------------------------|--|--|
| <b>Jan., 2009</b> | 7.79                                   | 10816                                 | 0.0582                                 | 136                                      |
| <b>Feb., 2009</b> | 9.31                                   | 12021                                 | 0.0606                                 | 152                                      |
| <b>Mar., 2009</b> | 9.87                                   | 12750                                 | 0.2969                                 | 745                                      |
| <b>Apr., 2009</b> | 14.55                                  | 18007                                 | 0.0193                                 | 47                                       |
| <b>May, 2009</b>  | 15.15                                  | 18654                                 | 0.0887                                 | 135                                      |
| <b>Jun., 2009</b> | 16.86                                  | 21029                                 | 0.0348                                 | 80                                       |
| <b>Jul, 2009</b>  | 13.14                                  | 17682                                 | 0.1401                                 | 242                                      |
| <b>Aug, 2009</b>  | 10.97                                  | 15808                                 | 0.0828                                 | 168                                      |
| <b>Sep, 2009</b>  | 10.21                                  | 14927                                 | 0.0114                                 | 21                                       |
| <b>Oct, 2009</b>  | 11.86                                  | 17171                                 | 0.0097                                 | 26                                       |
| <b>Nov, 2009</b>  | 11.28                                  | 17041                                 | 0.0008                                 | 4  |
| <b>Dec., 2009</b> | 21.67                                  | 35534                                 | 0.0215                                 | 57                                       |
| <b>Total</b>      | 152.60                                 | 211379                                | 0.8247                                 | 1811                                     |

Source: CTEI exclusive

Source: China Textile Network Company

## China's largest small commodities market continues recovery

DATE: 2010-02-04

The Yiwu market in east China's Zhejiang Province, the country's largest distribution center for small commodities, saw trade grow 10.5 percent year on year in January, according to the local industry and commerce bureau. The market saw a 4.77 billion yuan (699 million U.S. dollars) trade volume in January, including 2.7 billion yuan from China Commodities City, a business complex in the market, alone. "The situation is much better than the second half of 2008 and the first half of 2009. Not only did some old customers from Europe and the United States return, but they also introduced new customers," said Huang Jianbin, a dealer of interior decorating products.

The market reported a trade volume of 41.2 billion yuan in 2009, indicating an annual growth of 7.8 percent, a spokesman with local industry and commerce bureau said. By the end of 2009, the market had registered 137,000 stalls, almost 9,000 more than the previous year, the spokesman said. Meanwhile, 2,614 foreign businesses had opened offices in Yiwu, representing a yearly increase of 22.7 percent, he said. The export-oriented market was hit hard by the global economic downturn in the second half of 2008, with a big slump in trade figures, he said.

"To help the businesses through the difficulties, the government unveiled a string of policies, such as favorable loans," he said. The market began to show recovery signs in March 2009, when more than 27,000 foreign business people visited Yiwu, growing by 138 percent compared with February, he said. "In November alone, more than 40,000 foreign business people visited the market, rising by 20 percent year on year," he said.

Source: Xinhua via CNTEX

## China's textile industry output rises 10%

DATE: 2010-02-04



China's gross output value of textiles rose by 10.3 percent last year, said vice president of China National Textile and Apparel Council (CNTAC) Xu Kunyuan Wednesday. "The output of textile enterprises with annual sales exceeding 5 million yuan (733,000 U.S. dollars) reached 3.8 trillion yuan last year," he said. The council had yet to compile full-year profit figures, he said, but profits in the first 11 months of 2009 saw a year-on-year growth of 25.4 percent to 133.1 billion yuan. Xu told Xinhua that China had more than 50,000 textile companies of that size. "The profit growth can be attributed to equipment upgrading and relocation of the companies from coastal areas to central China where costs are lower," said Sun Huaibin.

"Exports this year may turn around and rise 4 percent, but the rate may be slower than before the crisis, and I estimate 80 percent of the products will be sold in the domestic market this year," Xu said. China's exports of textiles in 2006, before the global economic downturn, soared 25.1 percent year on year and hit 147.1 billion U.S. dollars, according to National Development and Reform Commission. Last year China produced about 24 million tonnes of yarn, up 12.7 percent year on year, and the amount of clothes produced increased 6.9 percent to 23.75 billion units, according to Ministry of Industry and Information Technology.

Source: Xinhua via CNTEX

## China seen as a motor of global economy

DATE: 2010-02-04

---

George Soros, the world famous investor and currency speculator, said here on Wednesday that China has been the first country to recover from the financial crisis and emerged as a motor of the global economy, with its isolation from the global financial system aiding a swift economic recovery. "For China, the financial crisis was an external shock. It hasn't really shaken the (China's financial) system itself," said Soros in a public discussion with a panel of experts and students at Hong Kong University. Besides, China had resources to stimulate the economy and was relatively better situated to tackle the crisis, he added. Soros predicted that China, India, Brazil and other developing countries are going to grow faster than the developed world.

Talking about the Greek debt crisis, Soros said he was confident that the crisis will pass. Concern about Greece's ability to reduce its huge budget deficit has triggered credit ratings downgrade, led to a sharp sell-off in the Greek government debt and even raised speculation as to whether it could be forced out of the euro zone. Soros said the Greek government will "do whatever it takes" to meet the conditions imposed on it in order to keep their government bonds acceptable by the European central bank. "Because the alternative is much more painful," he said. Soros is the founder of Soros Fund Management and co-founder of the Quantum Fund.

Source: Xinhua via CNTEX

## Jinzhou: Textile Industry profit and tax soar 90%

DATE: 2010-02-01

---

According to the data from Jinzhou Textile and Apparel Council, in 2009, the profit and tax of Jinzhou's statistics-worthy textile enterprises reached CNY0.14 billion, up 90% y/y; total industrial production value edged up 25.8 percent y/y to CNY1.756 billion; main business income edged up 69 per cent y/y to CNY1.62 billion; total profits reached CNY 0.08 billion, up 84 per cent y/y; value of goods delivered was down 7.5 per cent y/y.

Jinzhou is a prefecture-level city of Liaoning province, China. It is a geographically strategic city located in the "Liaoxi Corridor", which connects land transportation between North China and Northeast China. Jinzhou is China's northernmost seaport and the coastal economic center of West Liaoning on the northwestern shore of the Bohai Sea. It is one of the biggest cities in Liaoning with an urban population of 770,000 and a greater population of more than three million people.

Source: CTEI News

## Henan: Garment Industrial zone laid the foundation

DATE: 2010-02-01

---

Henan Xinyang Industrial Transfer Zone has laid a foundation. China's government has approved plans to build garment industrial transfer zone to encourage the relocation of low-end industries from coastal regions to inland areas.

Covering 1200,000 square meters, Xinyang Industrial Transfer Zone is part of a plan to help coastal regions move up the value chain while keeping low-skilled, low margin manufacturers inside China. The zone would encourage 50 garment companies to set up factories, and research and

Source: China Textile Network Company

development centers. The government would unveil favorable investment, tax and land purchase policies. The inland regions boast low costs and huge markets and transfers would help narrow the regional wealth gap, said Yang Fuping, secretary of the Xinyang CPC.

Source: CTEI News

## China Textile Industry report 2009/10 (part A)

DATE: 2010-02-01

### ***Textile industry signaled recovery***

"Revitalization Plans for the Textile Industry" was passed in early 2009. One year after China launched the stimulus package and regained economic growth momentum, the textile industry has overcome serious difficulties and has made new developments.

### ***Domestic markets returned to the spotlight***

In 2009, many Chinese textile and garment enterprises have felt the chill and turned their eyes away from European and American markets and focused back on the domestic market. From Jan. to Nov., domestic sales of statistics-worthy Chinese textile enterprises edged up 14.05 percent y/y to CNY2674.033 billion, accounting for 79.89 percent of the total. It is important to note that garment sales in the domestic markets have jumped by more than 21.77% y/y. Besides, construction and auto fields are new growth points for nonwovens. Data shows that sales of textile belt and curtain fabric in the domestic markets were up 25.16 percent y/y.

### ***Manufacturing and sales rebounded***

Manufacturing and sales of China textile industry rebounded in 2009. Looking further, the total industrial production value of 52963 statistics-worthy Chinese textile enterprises increased 9.71 percent y/y to CNY3426.804 billion in Jan-Nov. 2009, 4.62% higher than the growth rate of the Jan.-Feb. 2009 period; The sales value were CNY 3347.067 billion in Jan-Nov. 2009, 9.82% year on year, 6.69% higher than the growth rate of the Jan.-Feb. 2009 period.

### ***The decline in exports narrowed***

Fresh data shows that, in Dec. 2009, China's textile and garment exports registered first positive growth since Apr. 2009. According to China Customs, exports value of textile and garment amounted to \$16.787 billion in Dec. 2009, up 4.49 per cent y/y. Accumulated exports value of textile and garment (not including No.94 category) in the Jan.-Dec. 2009 period amounted to \$167.024 billion, down 10.07 per cent y/y. The decline in accumulated textile and apparel exports was being constantly reduced and the tendency of rebound is increasingly obvious. Continuity in the demand for the Chinese textile covering in the world market was keeping the hopes of exporters alive that after the recession. From Jan. to Nov. 2009, China's accumulated textile and garment export value to the United States, EU and Japan amounted to \$78.818 billion, which accounted for 51.14 percent of China's total textile and apparel export value. According to CNTAC, in Jan.-Nov. China's textile and garment exports value to the United States edged up 1.53% year-on-year to \$25.34 billion, accounting for 40.22 percent of the United States' total textile and garment imports; China's textile and garment exports value to Japan edged up 0.26% year-on-year to \$20.1 billion, accounting for 78.45 percent of Japan total textile and garment imports

### ***Leading index turned upward***

As you can see from the table, most industrial index in 2009 have sent clear signals that the growth of industry is accelerating. From Jan. to Nov. 2009, total profit for statistics-worthy textile enterprises was CNY133.149 billion, up 25.39%, 36.40 percentage points higher than the growth rate of the Jan.-Feb. period.

Source: China Textile Network Company

| Labor Productivity   |            | Finished goods turnover |            | Profit rate |            | Ratio of output value of new products |            |
|----------------------|------------|-------------------------|------------|-------------|------------|---------------------------------------|------------|
| Jan.-Nov.            | y/y change | Jan.-Nov.               | y/y change | Jan.-Nov    | y/y change | Jan.-Nov.                             | y/y change |
| CNY344800 per capita | 10.22%     | 14.68/y                 | 8.26%      | 4.04%       | 0.48%      | 6.49%                                 | 0.23%      |

Source: CTEI Exclusive

## Pak-China trade may reach \$15 billion by 2012

DATE: 2010-01-29

KARACHI: Pak-China bilateral trade may reach \$15 billion by the end of 2012 provided coordinated efforts at public-private sector level are executed and bilateral agreements are implemented in true spirit. Tariq Sayeed, former president FPCCI and Patron in Chief Pak-China Business Council said during his address at South Asia-Sichuan Business Promotion Seminar, organized by China Council for Promotion of International Trade, Sichuan Council at Chengdu, China. While appreciating the quantum leap in Chinese economy particularly during last two decades, he said Pakistan has a natural proximity to the 3rd largest economy of the world with GDP size of \$4.90 trillion, the country, which formed the 3rd largest import market of the world; Pakistan should take advantages in terms of export promotion with China. He referred the statement of Chinese President, Hu Jintao about Pak-China Friend as higher than the mountains and deeper than oceans and said these relations can be witnessed in the political, defence and diplomatic arena. However, economic relations between two friendly nations don't reflect the gravity and warmth of bilateral relation between two great nations. He however, added, since signing of FTA between two nations on 24th November 2006, some improvement has been witnessed in bilateral trade and Investment and now bilateral trade has crossed \$7 billion while Chinese investment has cross \$1.5 billion during last four years. He emphasized the Chinese Government and the Private Sector to promote Pakistan exports in China so as to bridge trade deficit, which Pakistan was negatively facing for many years.

Presently about 60 big Chinese Companies are involved in 122 projects in Pakistan in fields of Oil and gas, IT and telecom, power generation, engineering, automobiles, infrastructure and mining sectors. Whereas Pakistan has invested in 96 projects in China, with a contractual value of \$71.48 million, and an actual investment of \$17 million. Sayeed said FDI has been instrumental to socio-economic uplift of China, which, since last two decades has attracted the highest FDI more than \$50 billion per year and elevated position of China from 40th in 1960 to 3rd in 2009 and Chinese investment in Pakistan in mutually benefited could greatly help Pakistan to boost its economy. He identified some sectors for Joint Ventures and investment including co-operation in the sectors finance and Banking, infrastructure, power (coal, hydel, gas based) and Alternative Energy( Wind and Solar), Information Technology and telecom, chemicals, fertiliser, glass, polymers, textile manufacture (value added), engineering goods, textile machinery, automotives, agricultural implements, agricultural and agro-based industry, food and fruit processing and packaging, livestock and dairy farming and pesticides.

He also emphasized for relocation and transfer of technology from China to Pakistan as China was leaping into High-tech Industrialization. He said Non-tariff barriers were hindering Pakistani exports in China and requested the Chinese Government to ensure greater market Access to China by removing NTBs. Mr. Sayeed, who was representing business community of Pakistan also presented action plan of FPCCI. President/representative of other national chambers of South Asian countries also spoke on the occasion.

Source: *dailytimes* via CNTEX

## **Technical Textiles: emerging opportunity**

DATE: 2010-01-26

Recent news from China is worth watching and will be helpful for framing policies to support the growth of technical textiles sector in India. This week, China reported that in 2009 its GDP grew by 8.7% from its previous year. Strikingly its fourth quarter growth in 2009 has been 10.7%. The year-on-year growth in 2009 for India has been 6.7%. China economic growth story made global news with a forecast that China may very well be the worlds second largest economy by 2010-11. How much impact this shift will have on the global economy and in particular, on Indias technical textile industry? It is well accepted that the growth of nonwovens and technical textiles sectors are related to the GDP growth of nations. Developed economies such as the US, Western Europe and Japan have followed this pattern. Will India be different? Industry associations such as the USA based Association of the Nonwoven Fabrics Industry (INDA) predict a linear relationship between the GDP growth quantified by Purchasing Power Parity (PPP) and the growth of nonwovens industry. If this hypothesis holds good for India, we will certainly have a positive growth. Discussions with many leaders over the past two months have revealed that the growth is not happening fast as expected. It is therefore necessary to create a good understanding on the factors that affect the growth of technical textiles sector in India, more importantly the relationship between Indias economic growth and the development of nonwovens and technical textiles sector.

### ***Economic Growth and Technical Textiles Industry***

Early in 2008, I predicted based on the available GDP data from World Bank that Indias technical textiles sector will grow by 13.3%. It will be convenient to state that the projected growth of Indias technical textiles sector will be in double digits. At that time, although recession was just beginning, effects of serious recession were not felt. Understandingly, the double digit growth prediction had a good bit of skeptics. Around 2008-09, Government of India commissioned a market survey on the technical textiles sector. The study carried out by ICRA Management Consultancy came out with a conclusion that the technical textiles sector will grow by 11%. This correlates more or less with my earlier empirical forecast that Indias technical textiles sector will have a double digit growth. These reports indicate that although GDP alone cannot be a gold standard to predict the growth of technical textiles sector, it still can be used as a valuable yard stick for shaping the growth of technical textiles sector. Several factors such as the economic growth as measured by GDP growth, population and its growth rate and the availability of disposable income play important roles in the growth of nonwovens and technical textiles sector. Here again, China lends us a helping hand.

As indicated earlier, recent forecast on Chinas economic growth foretells China will be the second largest economy soon. How is this possible and what is the relevance with the growth forecast of Indias technical textile industry? China will push Japan to the third place even though Japans per capita GDP is 4-5 times higher than that of China. As the old adage goes, it is the number that makes all the difference. Chinas population is 1.3 billion whereas; Japans population is 128 million. The combinatorial effect of the population number and per capita GDP will do the magic to push Japan to the third place. The combinatorial effect will also play an important role in enhancing the technical textile sectors growth in India. For instance, population growth rate is on Indias side. Furthermore, the middle class consumer population will be a favorable factor. The middle class population is expected to reach half a billion by 2050. This will enable the growth of Indias technical textiles sector. A great leap will occur in Indias technical textiles industry around 2020. This decade (2010-2020) will experience growth and the industry has just started to crawl.

### ***Emerging Opportunity***

I am an optimistic person who sees the glass to be half full. There is certainly opportunity in the technical textiles sector in India. However, greater understanding and proper investments are necessary to enable growth. Technology utilization and dissemination of techno-commercial information are needed to have viable growth. Just as I was penning this article, I had the

Source: China Textile Network Company

opportunity to attend an intellectually stimulating panel discussion here in Lubbock hosted by Texas Tech University in partnership with US based Society of Environmental Journalists. This discussion focused on agriculture, environment and other topical themes and was eyeing what will happen in 2050? With the population growth and the potential depletion of some finite natural resources, the panel debated the options to keep the world alive and kicking. Two things came out loud and clear, which are aptly suited for the growth of India's technical textiles sector: 1) Suitable technology utilization and 2) Communication. For example, the panel discussion focused on the situation of water in West Texas and its impact on cotton crop in near future. Cotton requires around 18 inches of precipitation, whereas West Texas normally gets around 3-4 inches of rain.

How is cotton plantation viable then? This is possible because of the modern agricultural practices adopted by cotton growers and the constant research and development activities undertaken by the cotton industry here in the USA. In this context, attention was brought on the phenomenal efforts in R & D undertaken by the cotton sector using molecular biology and genetics. These have resulted in the development of drought tolerant and herbicide resistant cotton varieties. Such R & D efforts tell us the need to use methods and technologies that are suitable for one's own environment. In the case of West Texas, due to weather conditions, it is necessary to develop cotton varieties which can withstand severe drought conditions. Farmers are conserving water by using drip irrigation method. These are some examples of technology adaptation. In addition, the US cotton industry is doing a great job in communicating with all stakeholders such as the Government with regard to support programs and with end-users with regards to sustainability and comfort characteristics of cotton. These practices are enabling the US cotton industry to be highly competitive. The Indian technical textiles industry should learn from such success models and should bring in technologies that are relevant and viable to Indian situation and market conditions.

#### ***Enablers and Action Items***

There are four important enablers which will help the nascent technical textiles sector in India. These are:

1. Growth in the economy. It is predicted that the GDP growth in 2010-11 will be around 7.8%.
2. Population growth and abundance of young population.
3. Rise in disposable income and
4. Need for diversification in the textile industry for its survival and growth.

#### ***Necessary Action Items for Growth***

1. Relevant technology adaptation.
2. Developing the converting sector. The sector which takes roll goods (or fabrics) and makes them into usable products is of much need in India.
3. Creating a supply chain for the technical textiles sector which will link roll good manufacturers, fiber producers, convertors, retailers and end-users. Heretofore, this aspect is a missing link.
4. Creating growth friendly policies with particular emphasis on the converting sector. Policies to-date are not focusing on this sector.
5. Creating communication channels to infuse technology and techno-commercial information across the supply chain.

In summary, proper planning, pertinent technology adaptation, creating supply chain and proper knowledge dissemination for all stakeholders will enable the growth of technical textiles in India.

*Source: fibre2fashion via CNTEX*