

EXTRACT

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Textile & garment exports to the U.S. and Japan get new spotlights

DATE: 2010-01-08

It's been another disappointing year for the hard-pressed export sector. Between Jan. and Nov. 2009, China's textile and apparel exports declined by 11.02% compared with a year ago to \$154.12 billion as demand from all of the major markets deteriorated. Of which, textile exports plummeted 10.66 percent; apparel exports plummeted 11.24 percent.

Although the economic crisis hardly creates a favorable environment for the export, some sectors gets new spotlights. According to CNTAC, China's textile and garment exports to the United States edged up 1.53% year-on-year to US\$25.34 billion; China's textile and garment exports to Japan edged up 0.26% year-on-year to US\$20.1 billion.

Source: CTEI News

Beijing's per capita GDP estimated to exceed \$10,000 in 2009

DATE: 2010-01-08

The annual per capita GDP in Beijing was expected to top 10,000 U.S. dollars in 2009 as the national capital expected an over 9.5 percent economic growth for the same year, said an official with the municipal economic planning agency Thursday. Beijing expected to rake in financial revenue totaling 202.7 billion yuan (about 29.8 billion U.S. dollars), up 10.3 percent year on year, said Zhang Gong, head of the Beijing Municipal Development and Reform Committee.

The income of urban and rural residents were estimated to rise by 9 percent and 12 percent respectively in 2009 compared to 2008 figures, said Zhang. Government policies and investment had helped boost local industries amid the global downturn, Zhang said. The city's industrial added value was expected to grow by about 8 percent and the service sector by more than 10.5 percent in 2009, accounting for 73.5 percent of Beijing overall economic strength.

Beijing also strengthened infrastructure construction in 2009 to raise its capability for sustained development, Zhang said. The length of highways and track traffic lines in operation reached 884 kilometers and 228 kilometers respectively currently. The city still has 276.7 kilometers of track traffic line under construction, he said. The annual per capita GDP in Beijing was more than 9,075 U.S. dollars in 2008 and the figure was 7,370 U.S. dollars in 2007.

Source: Xinhua via CNTEX

China's cotton textile industry showing signs of recovery in Jan. -Nov.

DATE: 2010-01-06

China's cotton textile industry saw a slight increase in the output from Jan. to Nov. this year, according to Xu Wenying, president of the China Cotton Textile Industry Association. Looking further, from Jan to Nov, yarn output of the industry reached 21.69 million tons, up 9.8 per cent from the previous year's period; fabric 51.34 billion metres, up 4.42% year-on-year. Goods delivered for cotton textiles and cotton garments exports slumped 14.42 per cent to \$55.933 billion in the past eight months from the year-earlier period. Main business income of China's cotton industry edged up 10.57 per cent to 889.0 billion yuan.

Source: CTEI News

Apparel Industry Posts Recovery in the First Ten Months

DATE: 2010-01-05

One year after China launched the stimulus package and regained economic growth momentum, the consumption, output and investment of China's apparel industry all saw a increase in the first ten months while apparel export is still facing unprecedented challenges.

Consumption: Jacket and cashmere staying warm

From Jan. to Oct., apparel sales of China's top department stores climbed 25.73 percent to \$8.688 billion, China General Chamber of Commerce said. In October, sales for easy wear remain robust during Chinese National Holidays season. Jacket sales were particularly strong, with jumpers up 25.84 per cent on last year. Many customers are opting for vogue jackets and moving away from the higher end of the pricing spectrum. "The challenging economy actually means that suppliers should

Source: China Textile Network Company

focus more on fashion, not less. If you're bringing anything new into the industry, it's got to be fashion-sensitive and price-sensitive," Kevin Schardt, vice president of Hartwell Industries said.

Soft, warm and chic cashmere cardigans are a great layering piece when the weather gets cool. Sales of cashmere cardigans climbed 9.82 percent in Oct., because most customers believe cashmere cardigans are a great investment for their winter wardrobe. Recently, the National Bureau of Statistics of China said that apparel sales for Nov. had grown by 25.8%. Business sentiment about the retailing sector is also now positive. The retail sector looks set for a robust festive trading season, based on figures released so far.

Production: remaining stable

China's apparel industry saw a slight increase in the output in Oct., according to data collected from statistics-worthy Chinese apparel enterprises surveyed by China National Textile and Apparel Council. Looking further, from January to October, the total new products output value of China's apparel industry reached CNY 39.72 billion, up 15.2% y/y; sales value CNY 675.21 billion, up 14.29%; export delivery value up 2.14%.

Investment: on rise

2009 is a critical period for the development of China Apparel industry. It is also the transitional period for China stepping from the "11th Five-Year Plan" to the "12th Five-Year Plan". In the context of global financial turmoil and severe overseas economic situation, a number of small technical reconstruction projects play an important role in driving the demand of apparel industry market.

By the end of Oct., the accumulated fixed-assets investment in apparel textile industry was up 10.34% to CNY73.464 billion y/y. The industry registered new projects was up 26.05% y/y, according to the Statistics Center of CNTAC.

Enterprises should take notice that, during next year's economic work, the government would improve policies to spur consumption and ensure investment grow at a reasonable pace, the Political Bureau of the Communist Party of China (CPC) Central Committee agreed on Nov. 27. It looks a little different from the former agreement on Sep. meeting.

Export: still negative growth

From Jan. to Oct., China's apparel exports declined by 10.55% compared with a year ago to \$87.896 billion; China's apparel imports plummeted 22.39% compared with a year ago to \$1.945 billion, according to China Customs. Apparel export faces unprecedented challenges. From Jan. to Oct., China's textile and garment reached 39.2 percent share of market in America, up 5% y/y. The result, some analysts argue, is that the widely-held theory that China is becoming a less competitive place to buy clothes from is just a myth. Prudent apparel buyers will always have an alternative source to China, and there's strong competition in many other countries. But China's going to provide the bulk of most buyers clothing purchases for a good few years still.

On the other hand, we should not be too optimistic. The export destination of China's apparel products are considered to be highly concentrated. This is reflected by the statistical data of the past couple of years when, the top export destinations are United States, Japan, Germany and UK. Unfortunately, these countries which stand as the major market for Chinese apparel exports, have become gloomy under the expanding impact of crisis. The quantities of export that we saw two years ago are not there. In this regard, China apparel industry should reduce its reliance on the single export market.

On Nov. 27, the Political Bureau vowed to enhance the focus and flexibility of economic policy in the following year according to new situations. It would further implement and enrich the economic stimulus package to make the economy grow in a more stable, balanced and sustainable way. During next year's economic work, the government aims to boost domestic

demand, especially the sustainable increase in consumption next year. The statement also said that more efforts would be made to promote reform, opening up and innovation, improve people's livelihood and maintain social stability and enhance the vigor and momentum of economic growth.

Year 2009 is a tough year for China's textile and apparel industry. After the government launched the stimulus package and regained economic growth momentum, China textile and apparel industry has flown the China flag high. Global recession is having an impact but the Chinese textile and apparel industry is resilient and it has to tackle the near-term issues and seek opportunities from challenges while keeping in mind the long-term view.

Source: CTEI Exclusive

Tianjin Textile & Garment Export Down 17% in Oct.

DATE: 2010-01-05

According to Tianjin Customs, the export of textile and garment from Tianjin were 4.81 billion USD in first 10 months, down 17% year over year. Of which, the general trade is the major export way. The export by this way were 3.85 billion USD, accounting for 80% of total export. The EU and Japan were the major importers. The export to the EU were 1.38 billion USD from Jan. to Oct.; to Japan 700 million USD. Those two markets accounted for 43.2% of the total export.

Source: CTEI NEWS

Guangdong Textile & Garment Export Went down in October

DATE: 2010-01-05

According to Huangpu Customs Bureau, the export of textile and garment in Guangdong were 2.63 billion USD in October, down 9.9% from previous month. For the first 10 months, the export of textile and garment accumulated to 25.11 billion USD of this province, down 9.8% year over year. The volume of general trade accounted for half of the total export. Processing trade decreased. From Jan. to Oct., the export of textile and garment by general trade were 13.82 billion USD, down 6.4% and accounting for 55% of the total export; processing trade were 9.26 billion USD, down 17.9% and accounting for 36.9%.

Source: CTEI NEWS

Cotton yarn prices surge 35% in six months

DATE: 2009-12-31

The recovery in textile industry pushed the cotton yarn prices up in the last six months. Prices have surged 35 per cent in the second half of the current calendar year due to spiralling grey cloth and raw cotton prices. Sensing the increased business opportunities in the export market, Indian textile mills have also stepped up raw cotton buying resulting in a rise in yarn prices. "Grey cloth, which uses cotton yarn as raw material, has supported the market like never before. Grey cloth prices have also surged by 35-40 per cent, following which cotton yarn have risen 35 per cent" said Bharat Malkan of IB Yarn Agency. Stockpiling of cotton fabric, too, helped in pushing up cotton yarn prices.

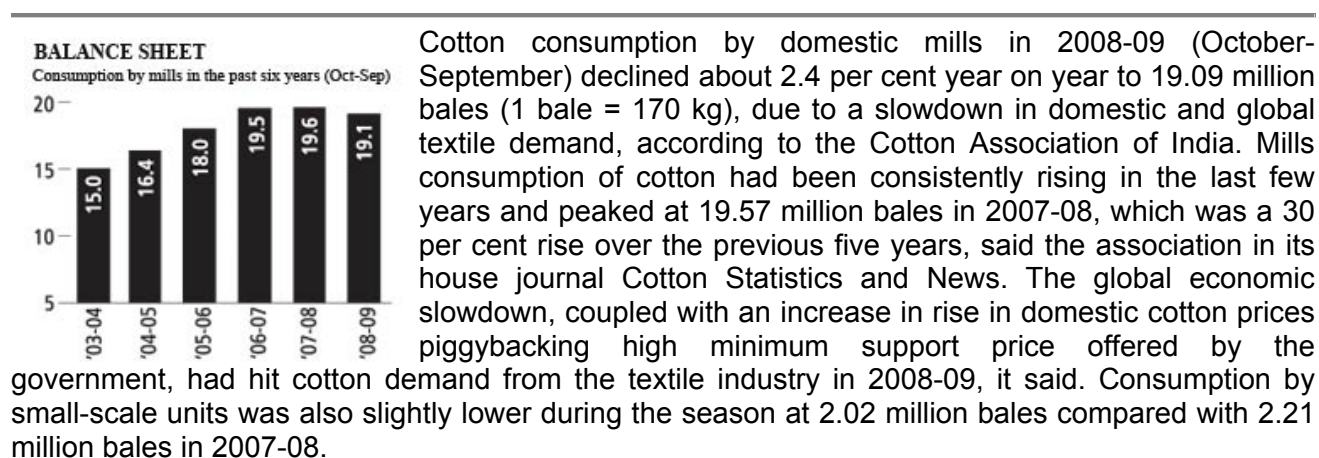
"In the past two-and-half months, prices of course count yarn have surged by 5 to 10 per cent, while medium and fine count yarn prices have jumped by 15 to 20 per cent and 20 to 25 per cent respectively," said Chirag Shah, an Ahmedabad-based yarn trader. The export market witnessed demand for yarn, cotton fabric and garments. In order to cash in on the export demand, Indian textile mills have started purchasing raw cotton at higher prices leading to higher cotton yarn prices. Yarn, cloth and garment manufacturing countries such as China, Pakistan and Bangladesh are facing shortage of raw cotton. "India is the only country which has surplus cotton. This gives an added advantage to the Indian textile mills, who are on buying spree to cater to demand in exports market," said Kishor Shah of Central Gujarat Cotton Dealers Association (CGCDA).

Firm prices of raw cotton have also contributed to the rise in cotton yarn prices. Cotton prices in the country have firmed up since the beginning of the season. The prices of Shankar-6 variety of cotton were ruling at Rs 21,000 to Rs 22,000 a candy at the onset of the season, which has now increased to Rs 27,500 a candy."The cotton prices have jumped by 25 per cent leading to further rise in cotton yarn prices," Shah added. In addition to this, power cut in southern states of the country has affected the supply of cotton yarn. "The cotton yarn supplies from south India are down by 15 to 20 per cent," added Bharat Malkan. Currently, powerlooms in Coimbatore are partially closed as labourers are agitating over the wages.

Source: www.business-standard.com via CNTEX

Cotton use by mills down 2.4% on lower textile demand

DATE: 2009-12-30



Source: www.business-standard.com via CNTEX

Exporters nervously await Asian free trade zone

DATE: 2009-12-30

When the clock strikes midnight on NewYear's Eve, China and 10 Southeast Asian nations will usher in the world's third-largest free trade area. While many industries are eager for tariffs to fall on everything from textiles and rubber to vegetable oils and steel, a few are nervously waiting to see whether the agreement will mean boom or bust for their businesses. Trade between China and the 10 states that make up the Association of Southeast Asian Nations has soared in recent years, to \$192.5 billion in 2008, from \$59.6 billion in 2003. The new free trade zone, which will remove tariffs on 90 per cent of traded goods, is expected to increase that commerce still more.

Source: China Textile Network Company

The zone will rank behind only the European Economic Area and the North American Free Trade Area in trade volume. It will encompass 1.9 billion people. The free trade area is expected to help Asean countries increase exports, particularly those with commodities that resource-hungry China desperately wants. The China-Asean free trade area has faced less vocal opposition than the European and North American zones, perhaps because existing tariffs were already low and because it is unlikely to alter commerce patterns radically, analysts say. However, some manufacturers in Southeast Asia are concerned that cheap Chinese goods may flood their markets, once import taxes are removed, making it more difficult for them to retain or increase their local market shares. Indonesia is so worried that it plans to ask for a delay in removing tariffs from some items like steel products, textiles, petrochemicals and electronics.

"Not everyone in Asean sees this F.T.A. as a plus," said Sothirak Pou, a visiting senior research fellow at the Institute of Southeast Asian Studies in Singapore. Asean and China have gradually reduced many tariffs in recent years. However, under the free trade agreement-which was signed in 2002-China, Indonesia, Thailand, the Philippines, Malaysia, Singapore and Brunei will have to remove almost all tariffs in 2010. Asean's newest members-Cambodia, Laos, Vietnam and Myanmar-will gradually reduce tariffs in coming years and must eliminate them entirely by 2015.

Most of the goods that will become tariff-free in January "including manufactured items"are currently subject to import taxes of about 5 percent. Some agricultural products and parts for motor vehicles and heavy machinery will still face tariffs in 2010, but those will gradually be phased out. In recent years, China has overtaken the United States to become Asean's third-largest trading partner after Japan and the European Union. The overall trade balance has shifted slightly in China's favor, although there are significant differences among Southeast Asian countries' trade balances, said Thomas Kaegi, head of macroeconomic research for the Asia-Pacific region at UBS Wealth Management Research.

Singapore, Malaysia and Thailand have only small trade deficits with China, while Vietnam's has grown substantially in recent years. In 2008, Vietnam exported items worth \$4.5 billion to China but imported about \$15.7 billion worth of Chinese goods. In Indonesia, the textile and steel industries are particularly nervous about the lifting of tariffs, prompting the government to say that it would ask for a delay on some provisions. No time frame for submitting the request was given, but the Asean secretariat said it had not yet received an official request. While competing with more Chinese imports may pose new challenges for Asean manufacturers, analysts say increasing their access to the 1.3 billion people of China could produce significant benefits.

Rodolfo Severino, who was secretary general of Asean from 1998 to 2002, identified Malaysia-which already exports palm oil, rubber and natural gas to China-as one of the countries that might benefit most from the removal of tariffs. But nations like Vietnam that focus on the production of cheap consumer goods are more likely to be hurt, said Mr. Severino, head of the Asean Studies Center at the Institute of Southeast Asian Studies in Singapore. Those countries may need to look for new export products and identify new niche markets, he said: "This is the nature of competition." Song Hong, an economist, expects that China will import more agricultural goods, like tropical fruit, from countries like Thailand, Malaysia and Vietnam when the trade area takes effect. That could hurt Chinese farmers in southern provinces like Guangxi and Yunnan, said Mr. Song, director of the trade research division at the Institute of World Economics and Politics at the Chinese Academy of Social Sciences in Beijing.

Mr. Sothirak, who was Cambodia's minister of industry, mines and energy from 1993 to 1998, said the removal of tariffs might help increase Cambodia's agricultural exports to China. Cambodia needs to diversify its export markets because its exports to the United States and Europe have declined, he said. While he does not hold much hope that Cambodian textile exports would be able to compete with China's highly developed garment industry, he said he believed the free trade area

might entice more Chinese garment factories to set up operations in Cambodia, where production costs and labor are cheaper.

Pushpanathan Sundram, deputy secretary general of Asean for Asean Economic Community, acknowledged that there would be "some costs involved" for some countries when the free trade area took effect, but he said he believed China and Asean would "mutually benefit." Despite the expectations for increasing trade, Mr. Severino predicted that the introduction of the trade zone would not be a "breakthrough event" setting off a dramatic surge in commerce come January. "There are many factors that traders and investors consider, and the trend has been going this way anyway," he said. "What this does is to send out good signals and show the determination of governments to make things easier."

Source: www.mydigitalfc.com via CNTEX

2009 Top 10 Textile Inc. in China

DATE: 2009-12-29

See the full list of 2009 Top 10 Textile Inc. in China:

Shandong Ruyi Technology Group Co., Ltd.

Shandong Ruyi Technology Group Co., Ltd. is an internationalized enterprise group, as a national high-tech key company. The company specializes in woolen textiles, garments, cotton spinning and weaving, spandex fiber, printing and dyeing, cotton denims, cotton knitting and real estate. It reported sales income of over CNY 10 billion for 2009.

Huafu Top Dyed Melange Yarn Co., Ltd.

Huafu Top Dyed Melange Yarn Co., Ltd operates over 1 million spindles with about 150,000 tons of annual output. It has formed a capacity deployment containing 3 production bases for tailor-made product in Zhejiang and standard production base in Yangtze River and Huanghuai area.

Shandong Nanshan Textile Garment Co., Ltd.

Shandong Nanshan is equipped with full sets of textile spinning, dyeing and finishing facilities, possessing of 13,000 tons wool top production lines, 800 tons acano production lines, 2 million meters mercerizing worsted fabrics production lines, 1,500 tons mercerizing shrink-proof woolen top production lines. It has an annual production volume of 30 million meters of high class fine worsted fabrics, 8 million meters of compact spinning fabrics and 2 million suits of high grade garments. It's the largest production base of worsted woolen and compact spinning fabrics in the world, and the most modern production base of high-class suits in China.

Wujiang Fuhua Weaving Co. Ltd.

Wujiang Fuhua is a research-based company with major businesses in manufacturing and marketing products specializing in middle-high grade man-made fiber fabrics. The company covers a total area of 700,000 square meters. Its capacity of production is over 400 million meters.

Tong Kun Group Co., Ltd.

Tongkun Group, located at Tongxiang City, which is the center of Hangjiahu Plain. Its primarily industry is manufacturing of polyester and terylene filament. It reported sales income of over CNY 13.8 billion for the 11-month period from January to November 2009.

Shanxi Hongji Sci-Tech Co., Ltd.

With 374 employees and total assets of CNY 230 million, Hongji's main products include: the ring spinning frame series, combing frame series, uni-lappers, uni-lapper combines, rotor spinning frames, roving frames and jet looms.

Shanghai Luolai Home Textile Co., Ltd.

Luo Lai was established in 1992 and has achieved rapid growth and has established a substantial Chinese domestic market penetration and is currently represented in over 700 retail outlets throughout China.

Ningbo Shenzhou Knitting Co., Ltd.

Established in 2002, with thousand staffs, Ningbo Shenzhou reported sales income of CNY 6 billion for 2009. The company consists of administration department, production management department, financial department, quality controlling and developing department, knitting department, dyeing and finishing department, several sewing&cutting departments, and comprehensive department.

GERON Co., Ltd.

GERON has been manufacturing and supplying the complete range of card clothing products for all applications since 1964. It is the largest professional card clothing company in China. GERON is accredited to ISO 9001:2000 and manufactures its products using the latest technology.

Xinyuan Cocoon Silk Group Co., Ltd.

Xinyuan is located in haian county, jiangsu province which is famous as the land of china cocoon silk and mulberry tree. The group consists of 18 branch companies and cocoon collecting stations. The group has developed to be the national leading spark enterprise. It reported sales income of over CNY 2.05 billion for 2009.

Source: TA Weekly Magazine via CNTEX

China's textile, garment exports down 11.4% in Jan-Nov

DATE: 2009-12-29

The exports of Chinese textile and garment products fell 11.4% year on year in the first 11 months of this year, according to a statement released by the Ministry of Industry and Information Technology on Thursday. The ministry attributed the decline to continuing weak demand in the overseas market. However, the export delivery value of textile enterprises above designated size increased 7.8% year on year to US\$66.6 billion in November, reflecting a growth for the second consecutive month this year. The export delivery value rose 0.1% in October. The export delivery value of textile enterprises above designated size fell 8.4% in March and 7% in June.

Source: www.chinaknowledge.com via CNTEX

Pulse of textile sector falls as cotton prices soar

DATE: 2009-12-29



Cotton is quickly getting added up to the list of scarce commodities, which has led to a unprecedented hike in cotton prices, leading to farmers receiving remunerative prices for their produce. While the US markets, particularly New York futures, continues to move higher in a steady manner, in local markets of China, Pakistan, and India, prices are exploding with traders scrambling to cover up positions. Hike in cotton prices will force many textile mills to close down thereby affecting downstream consumers like weaving units, made-ups and garments manufacturers. It could have seriously implications on the livelihood and could result in job losses in thousands. Increase in the price of cotton has led to a sharp increase in the prices of cotton and cotton-blended yarn, which have flared up by 10-15% during the past few weeks.

Source: Fibre2fashion News Desk – India via CNTEX

Premier: China won't yield to yuan appreciation pressure

DATE: 2009-12-28



China would not yield to foreign pressure for the appreciation of its currency yuan, or renminbi, in any form, Chinese Premier Wen Jiabao said Sunday. "A stable Chinese currency is good for the international community," Wen told Xinhua News Agency in an exclusive interview. Wen said that China's efforts to maintain a stable yuan-dollar exchange rate during the 1998 Asian financial crisis helped the world. Some countries demanded the yuan's appreciation while practicing trade protectionism against China, said Wen, adding that this in essence was aimed at checking China's development.

"China will work together with other countries to curb trade protectionism and push forward with the Doha Round trade negotiations," Wen said. He said that the global economy could not make progress without trade between different economies. "We all know this, but what we need now is the willingness to take action," Wen said. Chinese exporters were under great pressure due to trade protectionism, he said. Figures from China's Ministry of Commerce showed that as of the end of November, 19 countries and regions have launched 103 trade related investigations against Chinese products. Both the number of the cases and the money involved was at record high.

Export value of Christmas-related products from China's eastern Zhejiang Province fell 28 percent in 2009 compared with average levels of previous years, due to waning foreign demand and trade barriers in various forms, Wen said. From January to November, China's imports and exports totaled 1.96 trillion U.S. dollars, down 17.5 percent compared with the same period last year. In breakdown, exports stood at 1.07 trillion U.S. dollars, down 18.8 percent year on year, and imports at 893.02 billion U.S. dollars, down 15.8 percent, according to the General Administration of Customs. "Chinese exporters need to upgrade their export systems and improve product quality in order to keep their global market share amid an unfavorable trade climate," Wen said.

Source: Xinhua via CNTEX

Wen: stimulus package effective, room for improvement

DATE: 2009-12-28



Premier Wen Jiabao said Sunday Chinese people should be proud of their country's economic performance and the basket of economic stimulus measures had proven effective, but he readily admitted the economy had problems. In an exclusive interview with Xinhua, Wen said China would stick to the pro-growth economic policies, while taking more measures to curb property speculation and maintain consumer prices at a reasonable range. He acknowledged the Chinese economy could have been better "if our bank lending had been more balanced, better structured and not on such a large scale."

Wen also dismissed foreign pressure to allow the Chinese currency yuan to appreciate, saying demand for yuan appreciation, along with trade protectionism, was aimed at checking China's development.

CHINESE SHOULD BE PROUD

"The past year has been a breathtaking period," Wen said, recalling his inspection tours to places outside Beijing over last winter. In Shenzhen and Dongguan, two major cities in south China's export heartland of Guangdong, many enterprises faced big difficulties after the financial crisis, he said. Sluggish overseas demand had led to a wave of factory closures and layoffs in coastal manufacturing regions, including Guangdong, Zhejiang and Jiangsu, which caused a sudden slowing of growth of China's export-oriented economy. More than 20 million migrant workers had returned home late last year.

In the last quarter of 2008, GDP growth slid to 6.8 percent year-on-year, sharply down from 9 percent in the previous quarter. "Our mood was very heavy. We didn't know how much this disaster (the financial crisis) could hurt the Chinese economy or how long it would last," said Wen. Under such circumstances, the government adopted decisive policies and measures, he said, referring to the basket of economic stimulus measures, featuring the 4-trillion-yuan (585.6 billion U.S. dollars) investment plan, which was adopted on Nov. 5 last year. "We have stabilized the economy and employment and maintained social stability over the past one year, which is a comfort to me," he said.

GDP grew 8.9 percent year on year in the third quarter this year, accelerating from 7.9 percent in the second quarter and 6.1 percent in the first. For the first three quarters, GDP grew at an annualized rate of 7.7 percent. Other recent key economic indicators, such as industrial output and electricity consumption, showed China's economic recovery was accelerating and broadening. According to the National Bureau of Statistics, industrial output, which measures the activities of almost 430,000 large industrial enterprises (those with an annual revenue exceeding 5 million yuan, or 732,000 U.S. dollars) nationwide, jumped 19.2 percent year on year in November. In the first 11 months, the growth rate was 10.3 percent. "The financial crisis is not yet over..., but our work so far indicates that our (measures) are effective. People across the country should be proud of it," Wen said.

TOO EARLY TO GRADE PERFORMANCE

While China's economy began to recover, Wen said it was too early to grade economic performance as the financial crisis was not over yet and much more work was required. Citing credit growth as an example, Wen admitted China might need to "pay some price and run into some unexpected difficulties" in tackling the global financial crisis. "It could have been better if our bank lending had been more balanced, better structured and not on such a large scale," he said. The moderately loose monetary policy, which the government adopted in November last year, spurred the surge in new lending. In the first 11 months of this year, new loans hit 9.21 trillion yuan, an increase of 5.06 trillion yuan year on year, far exceeding the full year target of 5 trillion yuan the government set in March.

Wen said the State Council had noticed the problem in the middle of the year and moved to correct it. "It has been improving in the second half." Credit expansion was one of the "unexpected difficulties" China had encountered in dealing with the worst crisis in decades, Wen said. The State Council had to learn from past experience, detect problems and make persistent efforts to fight the crisis effectively, he said. He admitted the State Council had time in the second half of the year to calmly reflect on the problems arising from the emergency response to the economic crisis. Wen said he had noticed the criticism of Chinese Internet users of soaring property prices, and pledged to crack down on illegal activities that inflated prices. He also promised another chat with netizens ahead of the annual Parliament session in March next year.

"As the property market is recovering rapidly this year, housing prices in some cities are rising too fast, which deserves 'great attention' of the central government," he said. "We will crack down on illegal moves, including hoarding of land and delaying sales for bigger profits," he said. Wen's comments echoed repeated government calls to curb speculation as housing prices in major Chinese cities rose 5.7 percent year-on-year in November, fueled by growing demand, speculative deals and easy credit. Wen said the government's tools in stabilizing prices were taxes, interest rates and land policies. He said the government would expand construction of affordable housing projects for low-income families and speed up the renovation of "shanty towns", providing preferential funding, land and tax policies. Wen said the government would increase supply of smaller medium and low price homes, continue to support home buyers, and curb speculation to allow the healthy development of the real estate sector.

Statistics from Goldman Sachs showed that over the past six years, the housing price hikes had outpaced income rises by 30 percentage points in Shanghai and 80 percentage points in Beijing. In Beijing, the housing price per square meter is seven times the average monthly salary. The soaring home prices had prompted fears that a property bubble was forming. The central government was taking measures to deflate the bubble.

OVERCAPACITY

Amid increasing concerns of industrial overcapacity, Wen said the 1.18-trillion-yuan investment planned by the central government for 2009-2010 had not been and would not be spent on any industrial projects. "The central government has spent 590 billion yuan this year mainly on affordable housing projects, infrastructure construction in rural areas, improving people's livelihoods, environmental protection, technological reform and building necessary infrastructure, such as the Beijing-Shanghai high-speed railway and major highway networks," he said. "Industrial overcapacity has been a global issue, which fundamentally results from less demand and a shrinking market," Wen said.

In China, industrial overcapacity was also a result of the long-existing problem of an imbalanced economic structure, he said. In October, 10 government departments jointly warned that China's economic recovery could be hampered by chaotic expansion, especially in the steel, cement, plate glass, coal chemical, poly-crystalline silicon and wind power equipment sectors. "To resolve the problem of overcapacity, the most important thing is to take economic, environmental, legal and, if necessary, administrative measures to eliminate outdated capacity and, in particular, restrict the development of high-energy-consuming and polluting industries with excess capacity," Wen said.

STICKING TO PRO-GROWTH POLICIES

Wen said China would maintain its pro-active fiscal policy and moderately loose monetary policy to buoy the economy in 2010 as many uncertainties persisted at home and abroad. Averting the trend of falling global demand remained difficult, and "economies of some countries are starting to pick up, but fluctuations are still possible," Wen said. "China's economy has been on track for recovery. However, the economic performance and operations of enterprises still mainly rely on support from government policies." In November last year, the government shifted the fiscal policy from "prudent"

to "pro-active" and the monetary policy from "tight" to "moderately loose" to expand domestic investment and demand to stimulate the economy.

"To withdraw macro-economic policies too early will likely ruin the efforts made before and reverse the economic development," Wen said. However, his government would adjust macro-economic policies inline with the changing economic situation and study issues arising during implementation of such policies. China would gear more investment to social welfare, technical innovation and energy conservation and emission cuts next year, he said.

Wen said China would not yield to pressure for the appreciation of its currency, the yuan or renminbi, in any form. "A stable Chinese currency benefits the international community." Some countries demanded yuan appreciation while practicing trade protectionism against China, said Wen, adding that these were aimed at checking China's development. "They (some countries) create trade barriers in various ways, putting great pressure on Chinese export-led enterprises," Wen said. "China will work with other countries to curb trade protectionism and push forward the Doha Round of trade negotiations," Wen said.

Figures from the Ministry of Commerce showed that at the end of November, 19 countries and regions had launched 103 trade-related investigations against Chinese products. Both the number of the cases and the money involved was at record high. In the first 11 months, China's foreign trade totaled 1.96 trillion U.S. dollars, down 17.5 percent from the same period last year. Exports stood at 1.07 trillion U.S. dollars, down 18.8 percent year on year, and imports at 893.02 billion U.S. dollars, down 15.8 percent, according to the General Administration of Customs. China should adjust its export structure and improve the quality of products to maintain export share in the international market, Wen said.

Source: Xinhua via CNTEX

Premier: Macro-economic policies to continue

DATE: 2009-12-28



China will maintain its pro-active fiscal policy and moderately loose monetary policy to buoy the economy in 2010 as many uncertainties persisted at home and abroad, Chinese Premier Wen Jiabao said Sunday. Averting the trend of falling global demand remained difficult, Wen said in an exclusive interview with Xinhua. "Economies of some countries are starting to pick up, but fluctuations are still possible," Wen said. "China's economy has been on track for recovery. However, the economic performance and operations of enterprises still mainly rely on support from government's policies," Wen said.

"A consolidated recovery in the country's economy does not point to a complete revival and a full revival does not mean China's economy is developing in a sustainable way," Wen said. "To withdraw macro-economic policies too early will likely ruin the efforts made before and reverse economic development," Wen said. The government would maintain the stability and continuity of macro-economic policies while comprehensively watching the domestic and foreign economic situations, Wen said.

The State Council, or the Cabinet, announced on Nov. 5, 2008, that the government would shift the fiscal policy from "prudent to pro-active" and the monetary policy from "tight to moderately loose" to stimulate the economy by expanding domestic demand to offset a slump in exports. The Cabinet

Source: China Textile Network Company

also unveiled a 4-trillion-yuan (585.6 billion U.S. dollars) stimulus package the same day. "We have stabilized economic growth and employment and maintained social stability over the past year," Wen said. "The government's economic stimulus package has proved effective." China's economy grew 8.9 percent in the third quarter, the fastest rate in a year, after expanding by 7.9 percent in the second quarter and 6.1 percent in the first three months, boosted by the massive government investment and record bank lending.

The People's Bank of China, the central bank, scrapped lending limits of commercial banks in November last year. In the first 11 months of this year, new bank loans hit 9.21 trillion yuan, an increase of 5.06 trillion yuan over the same period last year, far exceeding the full year target of 5 trillion yuan the government set in March. The government pledged at the Central Economic Work Conference earlier this month that it would stick to the pro-active fiscal policy and moderately loose monetary policy in 2010 to sustain a recovery backed by the stimulus package. The government would adjust macro-economic policies in line with the changing economic situation and study issues arising during implementation of such policies, Wen said. China would gear more investment to social welfare, technical innovation and energy conservation and emission cuts next year, Wen said.

Source: Xinhua via CNTEX

Profits of local SOEs continue dropping but declines narrow

DATE: 2009-12-25

Profits of China's state-owned enterprises excluding those administered by the central government continued to drop in the first 11 months from a year ago, but the rate of decline narrowed sharply. The SOEs posted combined profits of 258.39 billion yuan (38 billion U.S. dollars), down 6.5 percent year on year, the State-owned Assets Supervision and Administration Commission (SASAC) announced Thursday. The rate of decline was 11.7 percentage points lower than that for the first ten months, the country's assets watchdog said. Business revenue of the SOEs grew 2.8 percent year on year to 5.9 trillion yuan in the first 11 months. The SOEs include enterprises affiliated to 82 central departments, and those administered by provincial, regional and municipal governments but exclude 131 enterprises administered by the SASAC.

Source: Xinhua via CNTEX

China issues larger cotton import quotas for 2010

DATE: 2009-12-25

China, the world's largest cotton consumer, has issued the first batch of 1.89 million tonnes of cotton import quotas for 2010, as it aims to ease supplies ahead of an expected low domestic harvest. Of the total amount, a quota of 1 million tonnes of cotton could be imported according to a sliding tariff rate, while imports of 894,000 tonnes would be taxed at a fixed 1 percent, said the China Cotton Association on its website (www.china-cotton.org). The amount was in line with market expectations following the recovery of textile production, while China's own cotton production was projected to fall short of demand by about 2 million tonnes. "Many mills have been active signing import contracts, not only from the United States, but also from India," said one cotton trader with an international trading house.

China expects its cotton production to fall by more than 10 percent this year from last year's 7.5 million tonnes. Beijing has been releasing cotton from state reserves this year to cover demand from textile mills, which have seen export growth slow most of the year amid the global financial crisis.

Source: China Textile Network Company

China, the world's largest buyer, imported 1.31 million tonnes of cotton in the first 11 months of the year, a fall of 33 percent from the year-ago period, official Customs figures showed.

Source: Reuters via CNTEX

China's 2009 public investment may exceed budget

DATE: 2009-12-25

China's 2009 public investment expenditure may go beyond its 908 billion yuan (62.02 billion U.S. dollars) budget, the Ministry of Finance said Thursday. Increased spending on affordable housing, energy conservation and emissions cuts as well as technology innovation led to the possible over budget, said Zhang Shaochun, vice minister of finance, at a press conference. Up until the end of November, 862.6 billion yuan has already been allocated, accounting for 95 percent of the 2009 budget, said the minister. China last year unveiled a four-trillion-yuan stimulus package to boost domestic spending amid the global financial turmoil.

Altogether 1.18 trillion yuan of newly-added investment in the package is from central budget, which was planned to be used up over the next two years, with 104 billion yuan for the fourth quarter of last year, 487.5 billion yuan for this year, and 588.5 billion yuan for next year, Zhang told the press. The 487.5 billion yuan planned to spend this year according to the package may also be exceeded, according to Zhang, but he did not explain the extra spending. The government has pledged affordable homes for people with low incomes. Around 7.5 million affordable houses will be built in the cities, and 2.4 million in the forest districts, reclamation areas, and coal-mining regions by the end of 2011. This year, 2.6 million urban and 800,000 rural homes would be built. Another 800,000 rural homes in poor condition would be renovated.

Source: CTEI NEWS

Intertextile to take place during hottest fashion seasons

DATE: 2009-12-24

The 2010 edition will feature a preview of the latest products, design and information in the world of apparel fabrics and textile related products. More importantly, the business platform will offer access to the best buyers from some of China's largest apparel related manufacturing metropolitans such as Shandong, Jiangsu, Hubei, Hebei and Henan, which are all located in close proximity to Beijing.

China's luxury market continues to expand

The mass population in China provides huge market potential for suppliers of all kinds fabrics. According to the World Luxury Association, China has surpassed the US luxury market and is the second largest one after Japan, spending over US \$8.6 billion on luxury brand name products in 2008. This massive consumer spending is predominantly male-driven, with international apparel brands dominating the menswear sector, resulting in a market rich with opportunity for high-end fabric suppliers, especially cottons and wools.

China's luxury good consumer also mainly belong to the 20 - 40 age group, meaning that luxury spending will no doubt continue to rise. In fact, experts predict that China will overtake the Japan luxury market within the next five years. Not only is international luxury brand consumption on the rise in China, but also more and more domestic luxury brands are trying to move up the value ladder by adopting imported textiles, design and technology.

Source: China Textile Network Company

Concurrent events offer crossover of potential buyers

The fair's location in Beijing presents apparel fabrics and textile related suppliers a perfect opportunity to reach out to quality buyers in this region. The city is well known for its successful shopping environment, with retail sales exceeding US\$37 billion in the first half of this year, according to the Beijing Commission of Commerce.

Intertextile Beijing(30 March - 1 April 2010) also takes place during the region's hottest fashion seasons, and runs concurrently with China International Clothing and Accessories Fair (CHIC) from 28 - 31 March 2010 and Yarn Expo Spring from 31 March - 2 April 2010. Free shuttle bus service will be provided for all three events. Messe Frankfurt has two special incentive offers when exhibitors sign up for Intertextile Beijing 2010.

Source: Messe Frankfurt via CNTEX