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Cotton Price Surge, Polyester Cold

DATE: 2010-06-11

The consumer practice on clothes reflected in the textile material prices. With the recovery of global economy, the textile industry turned to grow. This led to the cotton price surge. It is reported the price of type 328 cotton increased from 12,777 yuan per ton in last May to 17,138 yuan per ton on May 21st. The textile mills had to spend extra 4361 yuan to buy one ton cotton. While the spun viscose price also grew from about 16,000 yuan per ton last May to 19,050 yuan per ton now. Comparing the cotton price, some chemical fiber prices had not increase so highly. The DTY, POY, and FDY prices are 12,350 yuan, 10,650 yuan and 10,500 yuan for one ton, up 2300 yuan, 1900 yuan and 3050 yuan to last year. The fiber price fluctuation also affects the fabric price. Some trader say that there is 0.4 yuan increase for 100 kilogram cotton fabric. While the polyester fabric prices have not change since they are unprofitable.

Source: CTEI News

Spun Cotton Silk Fabric Sell Well

DATE: 2010-06-11

It is reported that the spun viscose cotton silk fabrics sell well recently in China Textile City in Shaoxing, Zhejiang, and the price turned to rise after a slight drop. In the first half, the spun viscose cotton silk fabric gets a high attention. The stock keeps stable and grew a little. The prices also grow 0.02-0.03 yuan per meter. Referring to the types, 30S'8, 32S'6, and 32S'0 are welcomed. The regular customers added their orders. Since it is a busy season in rural regions, some customer have not returned to the market. Thus most of the orders are small and mid batches. Although the domestic demand is restricted by the busy season in rural areas, there come more foreign buyers, especially those from Pakistan. Some of the foreign buyers have been familiar with the sales season of rayon fabrics. It'll last half a month from now on. Therefore the price might not be able to recover soon.

Source: CTEI News

World Cup's job opportunities lost

DATE: 2010-06-10

Most trade unionists, including those currently on strike or those “in Eskom and the public service“ who are considering strike action, are probably looking forward to the spectacle of the World Cup. But, increasingly, there are voices of concern being raised within the labour movement about the hangover that may result from having staged the greatest festival of nationalism on Earth. Steps that have been taken recently, ranging from a production subsidy based on value added tax (VAT) to a deal on post-World Cup memorabilia, tend to be seen as too little, too late. From the jobs perspective and wider economic benefit, the World Cup is increasingly being seen by unionists as an opportunity lost.

The unions have noted that while the billions of rands spent on the construction of state of the art stadiums contributed toward statistics representing economic growth, this came at a time when nearly 900000 jobs were lost in the formal economy. A considerable number of those lost jobs were in the construction sector, many of the retrenched being workers who had built the stadiums. From a labour movement viewpoint, job-loss growth, never mind that of unemployment , is no indicator of economic wellbeing, of an economy in recovery from recession; it is merely a sign that workers, once again, are bearing the brunt of an ongoing crisis. One result of this realisation was the muttering recently by retrenched construction workers that they might demonstrate during the World Cup. This threat now appears to have been averted by the granting of two tickets to various games for each of these workers.

However, a degree of disgruntlement persists, summed up in comments such as we can't eat tickets. There is also a realisation among many of these workers that, after the cup is won and lost and the fans and football teams have departed, they will still have no jobs. But they are not alone in their concerns; some of the most bitter resentment is to be found in the already badly battered rag trade which could have received a substantial boost from the staging of the football spectacular. Questions are now being asked as to why, when the decision was made in 2004 to stage the World Cup here, there were no agreements made about the local production of memorabilia. Soccer shirts and scarves, flags and much of the other 2010 World Cup paraphernalia now so readily available in sports shops, supermarkets and on the streets could have been made here, securing jobs and livelihoods for at least a while longer. South African Clothing and Textile Workers' Union (Sactwu) research director Etienne Vlok points out that, given sufficient notice, local manufacturers could have geared up to produce more “and many” of the products now on sale. But orders were often left to the last minute and only much bigger producers could cope.

As a result most of the items officially branded by Fifa and sponsor Adidas were made elsewhere, in countries such as China, Pakistan, Turkey and in Taiwan. Even French products in the shape of glass Fifa World Cup beer mugs, are featured in retail outlets that offer everything from World Cup pen and pencil sets, air fresheners, shirts and scarves to coffee mugs, beer tankards and soccer balls in a variety of colours and sizes. Sales are apparently brisk and will help boost economic growth statistics and fuel the supposition that the economy is on the up and up. But while the tills of the retailers will ring up 250 and 300 per cent mark-ups, the bulk of the profits from production will “like Fifa's millions” flow offshore. In something of a rearguard action, Cosatu has again promoted its Buy South Africa campaign, especially in the Cape Town and Durban's rag trade centres . But officials also admit privately that price is the determining factor and that local products generally cannot compete with imports. In another apparently belated move, the country's largest union federation struck a no strike deal with Fifa and football authorities in exchange for an agreement that post-World Cup memorabilia will be made in South Africa. But, as a Sactwu official notes: “How many people will want expensive I was there'shirts?”

The comment about expense comes from the fact that there is a licence fee payable to Fifa's Global Brands Group for any officially branded items. This, combined with the huge mark-ups by the

retailers means that a shirt that cost R130 to produce ends up being sold for R500 or R600, says Cosatu's Western Cape secretary, Tony Ehrenreich. In a world awash with textiles, clothing and knitwear, the survival of most of the remnants of the country's once thriving garment industry is tenuous. Even that key player in the industry, Seardal, kept afloat so far by the injection of Sactwu funds, remains under siege, undercut by cheaper goods, mainly from Asia. But there has been an improvement with the introduction of a production subsidy, says Vlok. However, he admits this VAT-based subsidy "it came into force little more than a week ago" may be seen as a case of better late than never.

What Sactwu finds particularly galling is the amount of Bafana Bafana promotional material produced abroad. Vlok estimates this at 40 percent while the SA Football Association claims it is 20 percent. This material is made under licence by Sarragan of Switzerland, part of the Adidas group that is the Bafana Bafana sponsor. As such, Sarragan has the rights to manufacture promotional material for the national team. But much of the product claimed as South African is sourced from Lesotho, says Vlok. Skilled machinists in the mountain kingdom earn little more than R1000 a month or about half the wage of their lowest paid counterparts in South Africa. It's wrong, but we can all check labels, says Vlok. And he points out that it is possible to buy a (non-Fifa branded) "South Africa" T-shirt for R50.

Source: by Terry Bell via CNTEX

U.S.: Textile And Apparel Imports And Exports Show Gains

DATE: 2010-06-08

As the overall U.S. economy is showing signs of improving, both imports and exports of textiles and apparel are on the rise. Government trade data covering the first quarter of this year show that exports of yarn were up by 23 percent over the comparable period of 2009, and fabric exports increased by 19 percent. At the same time, apparel imports from all sources increased by 11 percent; and yarn imports were up 18 percent and fabric imports, up 19 percent.

China continued to dominate apparel trade, accounting for 80 percent of the increase in U.S. imports, while trade from the Central America-Dominican Republic Free Trade Agreement (CAFTA-DR) area was up 9 percent and imports from Mexico were up 9 percent. In the case of Mexico and CAFTA-DR, apparel imports that enter the United States duty-free must contain yarn and fabric made in the United States or the other participating countries. Of major concern to U.S. textile manufacturers is the fact that much of the apparel import trade with China was in the so-called "sensitive categories" of underwear, trousers and knit shirts, for which import quotas were removed last January. While worldwide trade in these categories was up just 7 percent, U.S. imports of those products from China were up 55 percent.

Source: Textile World via CNTEX

Export Heads toward Growth despite EU Debt Woes

DATE: 2010-06-07

In the Jan.-Apr. 2010 period, China's textile and garment total exports amounted to \$55.3 billion, up 15.76 percent y/y. Although Chinese textile industry continues to improve, here we highlight the necessity for Chinese textile businesses to keep a watchful eye on Europe's debt crisis. Europe's debt crisis and the consequent sovereign credit risk of developed economies and a new round of

global financial market turmoil have limited direct impact on China, but indirect effects can not be ignored.

Export heads toward growth

In the Jan.-Apr. 2010 period, China's textile and garment total exports amounted to \$55.3 billion, up 15.76 percent y/y, slightly increasing by 25.92 percentage points from the growth rate of the Jan.-Apr. 2009 period. Of which, textile exports jump 25.90 percent to \$23.108 billion; Garment exports jump 9.44 percent to \$32.192 billion. Looking further into the destination, textile and garment exports to the U.S. increased by 20.61% y/y in the Jan.-Apr. 2010 period, up 21.81% from the growth rate of the Jan.-Apr. 2009 period; Exports to Japan decreased by 3.67% y/y in the Jan.-Apr. 2010 period, down 8.08% from the growth rate of the Jan.-Apr. 2009 period; Exports to ASEAN increased by 37.23% y/y in the Jan.-Apr. 2010 period, up 45.84% from the growth rate of the Jan.-Apr. 2009 period.

Period	Total	To the U.S.	To EU	To Japan	To ASEAN	To Africa	To Oceania
Jan. – Apr. 2008	17.04 %	1.82 %	40.40 %	7.39 %	39.28 %	20.87 %	25.55 %
Jan. – Apr. 2009	-10.16 %	- 1.20 %	- 11.28 %	4.41 %	- 8.61 %	- 7.96 %	- 9.70 %
Jan. – Apr. 2010	15.76 %	20.16 %	16.34 %	- 3.67 %	37.23 %	22.18 %	15.32 %

Table. Growth rate of China textile and apparel exports by destination

Europe's fragile and slow recovery

In early 2010 fears of a sovereign debt crisis or the 2010 Euro Crisis developed concerning some countries in Europe including: Greece, Ireland, Spain and Portugal. This led to a crisis of confidence as well as the widening of bond yield spreads and risk insurance on credit default swaps between these countries and other EU members, most importantly Germany. Concern about rising government deficits and debt levels across the globe together with a wave of downgrading of European Government debt has created alarm in financial markets. The debt crisis has been mostly centered on recent events in Greece, where there is concern about the rising cost of financing government debt.

European debt crisis and the consequent sovereign credit risk of developed economies and a new round of global financial market turmoil have limited direct impact on China, but indirect effects can not be ignored. Affected by the debt crisis, the euro fell against the dollar to 14-month low. The recent sharp rise in the renminbi exchange rate against the euro makes the situation of China's exports to Europe more and more severe.

World economy is recovering

The world economy is recovering steadily but the pace of recovery is very slow. There are many uncertain factors. The industry needs to prepare for future difficulty. The debt crisis in some European countries may impede Europe's economic recovery and bring change to European markets. Global manufacturing expands at fastest pace since 2004. The JP Morgan PMI rose to 57.8 in April. Output and new orders surged to multi year highs. US economy continues to improve. The surprise surge in US factory orders confirmed the manufacturing sector continues to lead the recovery. Details were strong. Excluding transportation orders, factory orders surged 3.1 percent, the biggest gain in five years, whereas non-defence capital goods (ex-aircraft) jumped by 4.5 percent. While the climb in pending US home sales to a five month high is largely due to homebuyer tax credits, analysts believe it bodes well for the coming months. Analysts expect April US non-farm payrolls to increase by 200k, but an upward surprise is definitely possible. However, according to Former FOMC Chairman Paul Volcker, it could be a "long slog" as the economy struggles to reduce the jobless rate (currently 9.7 percent).

Eurozone's Apr manufacturing PMI comes in slightly above the flash 57.5 reading, at 57.6, signalling a pick up in sector activity rates in the initial stages of the second quarter (Mar: 56.6, 4cast & Mkt: 57.5). The result follows similarly positive readings from both Germany (61.5 vs. flash 61.3, Mar 60.2) and France (56.6 vs. flash 56.7, Mar: 56.5) although there are signs that momentum is starting to ease off after the initial impulse higher. It's not just the German-Franco engine that is driving the revival, indeed preceding PMI surveys within the bloc suggest that even the 'structurally-laden' member states are starting to gain gusto with Spain's PMI index hitting the highest since June '07 (export orders at a decade high) with Italy PMI also up; 54.3 vs. 53.7. The question over sustainability has plagued recovery views, but for the first time there are signs that sector activity is starting to form a sustainable base. The rise in input costs (54.4 vs. Mar's 49.9) may weigh on firms ability to remain cost-price competitive but experts believe this has been enhanced by the weakness of the Euro rate especially within the commodity sphere.

Asia economy continues to improve. Singapore's economy grew 15.5 percent in the first quarter from a year earlier, up from its initial estimate of 13.1 percent, led by the manufacturing sector; The Thai economy grew by 12 per cent year-on-year in the first quarter, the highest growth rate in the past fifteen years for Thailand; China's economy expanded 11.9 percent year on year in the first quarter, indicating a solid recovery of the world's third largest economy, but also fanning concerns of asset bubbles.

Keeping a watchful eye on debt crisis

Some analysts have pointed out that the European economic outlook is not promising, a large number of hot money may turn to flow into emerging markets like China, and this will aggravate the pressure of RMB appreciation and the risk of economic overheating in China. The effects of Europe's debt crisis are starting to filter down to Chinese textile exporters. Some are already noticing a decline in orders from Europe. Now experts are warning companies to brace for a longer term impact. Compared to large export firms, small and medium companies face more pressure. The changing currency exchange rate can dramatically cut their profits. Companies should prepare for further exchange rate risks.

Source: CTEI Exclusive

Chinese exporters ditch wounded euro for dollars

DATE: 2010-06-07

Chinese exporters who made a big push only a year ago to bill in euros are increasingly turning their backs on the wounded European currency and demanding dollars instead. By contrast, Beijing last week said a report it was reviewing the euro portion in its mountain of foreign exchange reserves was groundless and it calmed markets by saying that Europe remained a key investment market. But Chinese exporters and the local governments that oversee them are less confident. They are trying to keep a wider berth from the euro, at least for now. Hangzhou Natutex Apparel Corp, a producer of special fabric for outdoor use, ships nearly all of its 10 million yuan (\$1.5 million) in annual exports to Europe.

Last year, when the European economy looked to be on solid footing, it settled 50 percent of sales in the euro. It has cut that back to just 5 percent this year. "The reason is obvious. You have to be alert about exchange rates in the foreign trade business," Yu Yueping, Natutex chairman, said. "It would be too bad if your hard-earned profits were eroded by exchange rate changes." The euro has tumbled 17 percent against the yuan EURCNY="R" in 2010 as the Chinese currency has been locked in place against a strengthening dollar.

SHORT-TERM CONTRACTS

Local governments are also telling exporters to be cautious about settling trade in the European currency. Trade officials in Jiangsu, a prosperous manufacturing province, told exporters to sign short-term contracts when dealing with European clients and to cut back on euro-based settlements, the Jiangsu Business News reported. "Considering the euro's uncertain future, exports to European countries should be settled in yuan if possible. If the buyers do not agree on yuan settlement, then use the dollar," it said. More than 80 percent of total Chinese exports are paid for in dollars, according to local reports. The government had been trying to change that, to encourage more euro settlement as part of a broader effort to diversify its foreign exchange reserves. It had seemed a smart -- and easy -- path to diversification. Not only do euro bond markets offer the only real rival to the depth and liquidity of U.S. debt markets, but the European Union is China's biggest export destination, meaning lots of cash flows from Europe to China every year.

Times have changed.

Shishi Daily, official newspaper of an export base in coastal Fujian province, reported cheerfully last week that its exporters were doing well after heeding warnings to shun the euro. "Exporters in Shishi were told by officials via our newspaper: Don't use the euro, use yuan or the dollar! Many exporters accepted this suggestion, so even as the euro has kept falling, exporters in Shishi have not reported heavy losses," it said.

HOW TO MAKE A SAUSAGE

Peng Hu's sausage empire in northwestern China has been less successful. His firm, Xinjiang Huarui Casing Products, every year exports about 50 million yuan worth of the material that encases sausage fillings to Europe, especially Germany and Austria. With all his customers paying euros, he has suffered steep losses. "I have tried hard to ask my clients to settle trade in other currencies, in dollars or yuan or whatever, just not euro," Peng said. "They have yet to agree, but I will keep trying." About 4,000 kms (2,485 miles) away in his textile factory, Yu reflected on the vagaries of the foreign exchange market. The dollar would probably not remain his currency of choice forever. "Life has to move on and the euro may go up again a couple of years from now," Yu said. (\$1="6.828" Yuan)

Source: Reuters via CNTEX

Warming trend of textile exports not withstand negative growth

DATE: 2010-06-07

The textile industry, the worst days are past. A number of indicators show that the textile industry has bottomed out and recovery phase in gradually. Ningbo Shanshan Co., Ltd. Executive Assistant Zhu Sujun accepted an interview with CBN about the first half of exports has been in decline, especially in Europe and the United States orders decline was 30% to 40%, and the recent change, orders began to increase, but European and American buyers because the price kept at a very low and has been in raw materials prices, many orders Wufadadao Gai range of business costs, so take the initiative by giving up Shanshan orders, business strategy is to expand the Gaoduan market and domestic market.

Guangdong Textile Import & Export Co., Ltd. General Manager's Assistant Zhonghao Sen also reflect the CBN, after various adjustments, the company exported 435 million U.S. dollars in the first half, up 5.8% this year be hard-won achievements. Estimated in the second half the situation will be more optimistic than the first half, orders are on the rise recently, but the price 10% less than last year, thanks to state 4 times since last year up textile and garment export tax rebate rate from 11% to 16%, for business to release certain profit margins on corporate orders help. In an interview with CBN industry news interview that the first quarter of this year, China's textile industry is the lowest

Source: China Textile Network Company

point in the second quarter of the indicators have gradually improved, according to current trends, the situation will be better than the first half of the second half. From the National Bureau of Statistics show that 1 in May this year, the textile industry-wide profit of 43.248 billion yuan, down just 0.14% year on year, down more than 1 to 2 months significantly reduced 11.01%, of which 3 to 5 months to achieve profits 30,768,000,000 yuan, up 5.1%.

On the export side, decreases gradually narrowed. In the first two months, textile and garment export up 15.31% year on year decline, 1 May as a negative growth of 11.59%, 1 to 6 months and further narrowed to a negative growth of 10.88%. Wang forward analysis pointed out the profits, investment and exports and many other important data, can determine China's textile industry have hit the bottom bounce. However, no significant recovery in view of the international market, the textile industry now faces the biggest pressure is still exports, volatile international market orders, can not stabilize a good judge, the most optimistic estimate is possible until the fourth quarter, real rebound , but still can not reverse the negative export growth, the situation throughout the year, the annual exports estimated at a negative growth of 5% to 10% negative growth rate.

The textile export enterprises, the current pressure is not just international order is also uncertain, will likely encounter in the second half of this year, more trade stick. Import and Export Fair Trade Bureau of the Ministry of Commerce Deputy Secretary LIU Dan-yang on July 14 in the "Guangdong to deal with international trade risks Conference", also warned that Europe and the United States on my textile trade remedy investigations initiated early warning information constantly, and the United States has begun to take action on the 10th of this month with a trim knit section China launched an anti-dumping, countervailing duty investigation, although the amount is small, but a dangerous signal, which may lead to other countries to follow, China's textile industry is facing very serious situation of trade friction.

Source: CTEI News

Shandong Ruyi to grow up with Thies dyestuff weighing station

DATE: 2010-06-02



China's Shandong Ruyi Woolen Textile Co has taken delivery of Asia's first Thies MPS-Colormatic fully-automated dyestuff weighing system ensuring a significant reduction in the labour force. In a fully automatic operation, China's Shandong Ruyi Woolen Textile Co, has installed the first Thies MPS Colormatic fully automated dyestuff weighing station-in Asia's first-together with a Thies MPS-L chemical supply systems for liquids and 200 litre capacity MPS-D dyestuff dissolving systems Shandong Ruyi also took delivery of 32 eco-bloc yarn dyeing machines, for the

move last year, to its new 3000 m² facility in Jining hi-tech development zone, Jining City. As a fully vertical operation, Shandong Ruyi Woolen Textile undertake yarn dyeing, spinning, weaving and finishing before transferring the final fabric to another company in the Ruyi Group for garment make-up.

The woollen company was formed in 1972 with a total of 10,000 spindles. By 1985 this had doubled and today features 60,000. Further expansion within its weaving operations will see the number of weaving machines increase from 120 and 15,000 m/day to 260 and 26,000 m/day by the end of the year. To meet this increased capacity we needed to improve the efficiency and production within the dyeing room, said Yong Aiguo, Equipment Department Manager. He elaborated further, The dyeing units installed in our old factory were not efficient and used, for example, too much water. A number of dyeing machines manufacturers were therefore invited to participate in a series of comparison

Source: China Textile Network Company

trials and offer a quotation for the new proposed facility. Thies were found to be the best in the production trials and won the tender to supply 32 eco-bloc yarn dyeing machines. The eco-bloc units provide a wide range of capacities-2 x 200 kg, 12 x 120 kg, 6 x 50 kg, 4 x 30 kg and 8 x 10 kg.

This wide range means we are able to handle large and small production runs and also carry out test designs, said Dyehouse Manager, Li Lian Feng. He also confirmed that by changing to Eco-bloc meant Shandong Ruyi has been able to achieve significant water savings with its vastly improved liquidation ratio. With the new operation we are able to achieve a really low liquor ratio ensuring at least a 30% saving in water compared with our old system. We have also been able to increase production from 6 t per day to 9 t with the new installation, he added. The improved liquor process ensures a more gentle treatment of the yarn. Thread breakages in later processes are minimised and high rates of passages provide fast and even dyes. Automation To further enhance the production process, automation of the chemical and auxiliaries supply has been another important factor in quality and economising efficiency. The Thies installation therefore includes two automatic MPS-L chemical supply systems for liquids and three MPS-D dyestuff dissolving systems.

The MPS systems (Multi Product Supply) use a joint control management and data structure. A general central system ranging from the machine control to the overload systems serves to co-ordinate all the processes in the dyehouse. First in Asia The installation has been further automated earlier this year with a fully automatic Thies MPS-Colormatic to control the complete dyestuff handling from stock to the dyeing machine. Stock-keeping, weighing, dissolving and dispensing the dyes is integrated in an automatic cycle. Featuring 40 silos, the Colormatic incorporates twin robot operations one to select mixing bowls and one for measuring dyestuffs before forwarding to MPS-D's. Reduced labour Once commissioned, the new operation will significantly reduce operating costs - requiring just two operators for all 32 Eco-blocs compared with earlier 10-12 per shift. The automatic Thies facility will also ensure reduced wastage, faster mix and preparation times of dyestuffs and importantly, confirms Li Lian Feng, Significantly reduce operator errors. One MPS-D is configured to supply 10 eco-blocs-4 x 120 kg and 6 x 50 kg, whilst the second unit also supplies 10 eco-blocs-2 x 20 kg and 8 x 120 kg. A third unit, a mini MPS-D, feeds the remaining 12 smaller capacity eco-blocs-4 x 30 kg, 8 x 10 kg.

Both MPS-L's are configured so that one supplies the 200 kg, 120 kg, 100 kg and 50 kg machines, with the second feeding the smaller 10 kg and 30 kg units. Li Lian Feng confirmed that following the installation of the MPS systems, an improvement in the quality of dyed yarns has been noticed, together with a reduction in the consumption of chemicals, since they are now served precisely and on demand. Any worries about residues of dyestuffs or chemicals in the transfer pipes, as previously experienced by Shandong Ruyi, have been eliminated as the MPS systems automatically rinse the pipe systems clean after each transfer. Production. Up to 80% of production at the new facility is wool yarn from loose fibres, with Shandong Ruyi also producing the remaining 20% with polyester, silk, linen and viscose in a 24/7 operation.

For the future, Shandong Ruyi has plans underway to introduce cashmere dyeing which, as Yong Aiguo confirms, will require more Eco-blocs and automated MPS-D and L systems and another Colormatic automatic dyestuff weighing station.

Source: Ruyi Woolen Textile Co via CNTEX