

**EXTRACT**

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**China Relocates Textile Factories to Indonesia**

DATE: 2010-04-16

Several Chinese textile companies will relocate their factories to Indonesia in a large scale. But they have asked to be gathered in one area, said the Head of the Association of Indonesian Textile, Ade Sudrajat, to reporters at the Jakarta International Expo, Kemayoran, yesterday. Ade said that he met with his partners in China to discuss the relocation plan. The area needed by the Chinese textile company is around 350 hectares. With this size, said Ade, there could be at least nine factories. This could facilitate around 200,000 workers, he said. The investment value of one factory is around Rp50 billion.

That is just for the machines, not including the electricity and the land, he said. The Chinese companies also asked about assurance of the land status, whether they would rent or buy it, the electricity supply guarantee, water facilities, road access, telephone lines, clean water and dirty water channels. Ade said he considered that the appropriate location for relocation was in Central Java. Meanwhile, West Java will be the location for follow-up industries.

Source: CNTEX

**Income of China's urban, rural residents continues to increase in Q1**

DATE: 2010-04-16

The income of China's urban and rural residents continued to increase in the first quarter, data from the National Bureau of Statistics (NBS) showed Thursday. In the first three months of the year, per-capita disposable income for urban people hit 5,308 yuan (778.3 U.S. dollars), up 9.8 percent year on year. After deducting inflation, though, actual growth was 7.5 percent, said NBS spokesperson Li Xiaochao. Per-capita cash income for rural residents stood at 1,814 yuan in the first quarter, jumping 11.8 percent from a year earlier. But after deducting inflation factors, actual growth was 9.2 percent.

In a breakdown, urban people saw year on year increases of 9.7 percent, 13.3 percent, 7.5 percent and 17 percent on the wage income, transfer-payment income, operational income and property income respectively. While rural residents' wage income, transfer-payment income, operational

Source: China Textile Network Company

income and property income grew 16.3 percent, 13.8 percent, 7.6 percent and 15.6 percent respectively. In 2009, the per-capita disposable income of urban people was 17,175 yuan, up 8.8 percent from a year earlier, according to the NBS. Per-capita disposable income for rural residents last year stood at 5,153 yuan, with a growth rate 0.6 percentage points lower than that of urban residents. After China introduced the household contract responsibility system to the countryside in 1978, rural residents initially saw their incomes grow faster.

Official figures showed that the income ratio, a gauge of balanced social development, has been widening since 1985, when the income growth of rural residents slowed as the focus of reform moved to the cities. The NBS did not provide the income ratio between urban and rural residents in the first quarter this year. Earlier data from the NBS showed that the income ratio between urban and rural residents was 3.33:1 in 2009, which meant city dwellers' average incomes were 3.33 times greater than the average for farmers. In 2008, the ratio was 3.31:1. In comparison, the income ratio was 2.56:1 in 1978 when city dwellers' average incomes stood at 343 yuan while that of farmers was 134 yuan.

*Source: Xinhua via CNTEX*

### **China works toward balancing foreign trade**

DATE: 2010-04-16

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The goal of China's foreign trade policy in 2010 was to improve its trade balance while maintaining steady export growth, said the Ministry of Commerce (MOC) spokesman Thursday. The country's trade surplus was expected to shrink by another 100 billion U.S. dollars in 2010, said Yao Jian, the MOC spokesman, at a press conference. The statement came less than a week after the country posted its first monthly trade deficit for March in six years, which was valued at 7.24 billion U.S. dollars, according to the General Administration of Customs (GAC) last Saturday. The GAC said the March deficit mainly stemmed from shrinking exports of labor intensive products, surging imports volumes and rising commodity prices, and predicted the country's trade surplus might continue decrease for the rest of the year.

Echoing the GAC, Yao said the country's foreign trade was likely to keep heading toward a more balanced state, while some experts predicted China's trade would soon return to surplus. "The trade deficit registered in March demonstrated expanding domestic demand accompanied by lukewarm demand in the international market," Yao said. "Because such a situation would continue, the monthly trade deficit seen in March would remain, at least in the first half of 2010," he said. The deficit also proved that, in an era of economic globalization, it was market supply and demand, and other factors that decided trade balance rather than exchange rates, said Yao. Yao portrayed the deficit in March as the continuation of a shrinking trade surplus that started to appear in 2008, and also as a result of the central government's macroeconomic policy in balancing the economy.

In recent years, China has worked hard to restructure its economy away from excessive dependence on exports and the manufacturing sector, while a whole range of measures have been taken to expand domestic demand. The goal of China's foreign trade policy was to further balance trade while maintaining stable growth in exports, he said. Yao expected the ratio of China's trade surplus to its gross domestic product (GDP) to fall to 3 to 4 percent from last year's 5.7 percent. When an economy's ratio stays between 5 percent and minus 5 percent, its trade can be considered as more or less balanced, said Yao Jian, citing a commonly accepted standard adopted in the economics field.

*Source: Xinhua via CNTEX*

## ITMA ASIA+CITME 2010 exhibition space sold out

DATE: 2010-04-15



The reputation of ITMA ASIA + CITME 2010 as Asia's premier textile industry platform has been given a further boost following an announcement from the show organisers that all exhibition space has now been sold. Over 1,100 textile and garment machinery manufacturers have applied successfully to exhibit at the second combined show, taking up 100,000 square metres of Shanghai New International Expo Centre. Chinese exhibitors make up the biggest country group at the show, which will be held from 22 to 26 June 2010. They have taken around 50 per cent of the total exhibition space. Exhibitors from Europe form the next biggest contingent, taking up 35 per cent.

Attesting to the popularity of the combined show, there is still a waiting list of over 50 manufacturers, according to show owners "CEMATEX, CCPIT Sub-Council of Textile Industry (CCPIT-TEX), China Textile Machinery Association and China Exhibition Centre Group Corporation. Ms Maria Avery, Secretary-General of CEMATEX, said: "Global economic recovery is underway and growth is expected to return to positive territory in 2010. Generally, businesses are more upbeat in their outlook, hence there is strong demand for the show. As the show date approaches, we are now actively promoting the exhibition in China and the rest of Asia." The visitor promotion campaign which kicked off at the beginning of the year is now gathering momentum. On the domestic front, the organisers are now focused on reaching out to Chinese buyers from key textile hubs. Regionally, they have formed strategic tie-ups with associations in India, Pakistan, Bangladesh, Vietnam, Indonesia and Turkey. Promotion trips to Bangladesh, Egypt, Russia, Central Asia and India have already been made or are being planned.

Source: CNTEX

## China's Textile and Apparel Exports Fall 9.5% in March

DATE: 2010-04-15

According to provisional trade figures released by the China General Administration of Customs, March 2010 exports of textile goods were at a low level as exports decreased by 9.5% compared to the same month of last year to US\$11.01 billion. While exports of textiles increased by 6.8% to US\$5.05 billion, exports of apparel dropped 19.8% to US\$11.01 billion. January-March 2010 exports of textile goods grew by 15.2% year-on-year to US\$39.25 billion.

Source: Asiantex via CNTEX

## Collective-owned Enterprises Grew at Fastest Pace

DATE: 2010-04-12

China textile industry reversed the downward trend and maintained rapid growth in Jan.-Feb. 2010, owing to favorable global economic conditions. According to China Customs, the import and export value of Chinese textile and garment totaled \$31.368 billion in Jan.-Feb. 2010, up 4.87 per cent y/y. Of which, exports value amounted to \$28.974 billion, up 29.07 per cent y/y; imports value amounted to \$2.394 billion, up 14.62 per cent y/y.

### **General trade continued domination**

Value of textile export and apparel export under general trade continued domination (accounting for 78.23 % and 73.95 % of the total) and maintained growth rates of 2.73 per cent and 4.67 per cent

Source: China Textile Network Company

respectively in Jan.-Feb., which reflects our export structure is quietly undergoing a welcome change: from the only low-value-added products, to high-tech products.

Value of textile export and apparel export under processing with imported materials accounted for 16.37% and 10.65% respectively. Under processing with supplied materials, the imported materials and parts are supplied by the foreign party which is also responsible for selling the finished products. The business enterprise does not have to make foreign exchange payment for the imports and only charges the foreign party a processing fee. The profit here is satisfying. Value of apparel export under processing with customers materials experienced negative growth in Jan.-Feb. 2010.

#### ***Collective-owned enterprises grew at fastest pace***

Textile export value of collective-owned enterprises accounted for 50.64 percent of China's total textile export value, up 5.71% y/y; apparel export value of collective-owned enterprises accounted for 46.97 percent of China's total apparel export value, up 6.18% y/y. On the other hand, textile export value of three types of foreign-funded enterprises accounted for 29.32 percent of China's total textile export value, down 15.61% y/y; apparel export value of three types of foreign-funded enterprises accounted for 30.84 percent of China's total apparel export value, down 9.95% y/y. Flexibility is a substantial part of the reason why collective-owned enterprises grew at fastest pace. They are able to handle ever-shortening product lifecycles and churn out products quickly and economically.

#### ***Market shares in ASEAN up 74.01%***

From Jan. to Feb. 2010, China's textile and garment export to the United States, EU and Japan amounted to \$14.519 billion, which accounted for 46.29 percent of China's total. Exports to the United States and EU increased both over 30% y/y. Exports to Japan remained the same as last year. It is noted that on Jan. 1, China's Free Trade Agreement with ASEAN (CAFTA) came into effect, an important step for China's strategy that could spur multi-destination textile export. Under the FTA, the average tariff on goods from ASEAN countries to China is reduced from 9.8 percent to 0.1 percent. The six original ASEAN members - Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand - slashed the average tariff on Chinese goods from 12.8 percent to 0.6 percent. From Jan. to Feb., China's accumulated textile and garment export value to ASEAN amounted to \$1.887 billion, up 74.04% y/y.

The China-ASEAN Free Trade Area, the world's largest free trade area of developing countries, covers a population of 1.9 billion and accounts for about 4.5 trillion U.S. dollars in trade volume. China-ASEAN free trade agreement could result in huge growth in bilateral trade between China and ASEAN. But it is not contradictory for China to enjoy the convenience of regional economic integrity by eliminating barriers of trade and investment, while still suffering from vulnerabilities inside the ASEAN countries.

#### ***China remains globally competitive***

From Jan. to Feb., export price index of Chinese apparel was up 0.12% compared to the same period last year. Export competitiveness index for Chinese fabric and manufactured textile goods climbed up 13.44% and 3.6% respectively. While some might think that textile and apparel manufacturing in China is becoming a sunset industry because of worker shortage and rising labour cost, we feel that China still provides a very viable site for the business, as international apparel brand owners still respect Chinese manufacturers because of their reliability and trustworthiness. Most of enterprises believed that industrial upgrading and innovation are major areas that need to be worked upon in 2010. Advanced technology fulfills the essential preconditions for economically efficient production and will have brought new life to the textile industry.

#### ***Cotton and chemical fiber manufactured products still the main force***

Cotton and chemical fiber manufactured products are the most important export sectors. According to China Customs, in the Jan. to Feb. 2010 period, the exports of cotton manufactured products

amounted to \$11.159 billion, accounting for 35.57 percent of China's total, up 37.76 y/y; the exports of chemical fiber manufactured products amounted to \$11.205 billion, accounting for 35.72 percent of China's total, up 78.11% y/y'

category	textile		apparel	
	Jan. – Feb. 2010	y/y	Jan. – Feb. 2010	y/y
<b>cotton products</b>	28.46	23.39	83.13	24.63
<b>wool products</b>	2.19	19.96	- 6.18	10.66
<b>linen products</b>	1.50	54.00	0.00	0.00
<b>silk products</b>	1.73	22.13	2.65	- 2.39
<b>chemical fiber products</b>	53.55	51.48	58.50	27.57
<b>other</b>	21.48	37.05	30.37	19.97

Source: CTEI News

### Enterprise Credit Evaluation Program Launched

DATE: 2010-04-12

CNTAC launches Enterprise Credit Evaluation Program. This program aimed at serving the member enterprises and promoting the industry self-discipline. It should improve the anti-risk power of those enterprises, cultivate a trustful environment to do business, guide the financial organizations, investors, clients and suppliers choosing credit enterprises, as well as to lower down the administration cost and support a healthy development of this industry.

The major factors in the credit evaluation system include general standard, financial indicators, social responsibilities, growth potential, products and services. The credits are graded from AAA, AA, A, B and C. And the evaluation is volunteered. The first condition is that the candidate should be a member of CNTAC. Those with credit in A and above have benefits as recommendation to related industry organizations; enjoying the favorable policy support from authorities; explosion to the press and foreign buyers in exhibitions; entering the credit database; and so on. The enterprises themselves could also show this evaluation results to their customers, banks and potential clients.

Source CTEi News

### Wang, Geithner exchange views on economic relation

DATE: 2010-04-09



Vice-Premier Wang Qishan met US Treasury Secretary Timothy Geithner in the Chinese capital on Thursday and discussed economic ties. In a brief statement after their meeting, the Treasury Department did not say whether the two sides discussed currency issues. The Chinese Ministry of Finance could not be reached for comment. Geithner had been expected to press Washington's case for Beijing to ease exchange rate controls that critics alleged distorted trade. Geithner, who stopped in Beijing after a two-day visit to India, left for Washington after the meeting. A Treasury official in Washington said Geithner and Wang met for 75 minutes in

Source: China Textile Network Company

the VIP terminal of the Beijing Capital International Airport, each accompanied by a single aide. Geithner had first stopped in Hong Kong.

Despite the official silence, a late advance in the yuan in Shanghai to 6.8235 per dollar, the strongest rate since October 2009, fueled talk that change was afoot. The decision to hold such a high-level encounter suggested that Washington and Beijing are trying to narrow their differences over currency that threaten to overshadow cooperation on the global economy, Iran's nuclear program and other issues. "The two sides exchanged views on US-China economic relations, the global economic situation and issues relating to the upcoming economic track dialogue of the second US-China Strategic and Economic Dialogue, to be held in Beijing in late May," the Treasury statement said. Chinese Foreign Ministry spokeswoman Jiang Yu declined before the meeting to elaborate on the agenda, saying only that Wang and Geithner would "exchange ideas on US-China relations and other issues of mutual interest".

The Obama administration delayed a report to the US Congress due April 15 in which it had the option of citing Beijing as a currency manipulator, a designation that could lead to a World Trade Organization complaint and possible trade sanctions. Economists expect Beijing to allow the yuan to rise as early as the second quarter of this year in order to ease strains in its own economy. A stronger yuan would increase the buying power of Chinese consumers, helping to increase domestic consumption and reducing reliance on exports. "China can go a lot further in internationalizing its economy and promoting world growth by making its currency more flexible," said Pieter Bottelier, an economist and former head of the World Bank's China office. "It is in the interest of the Chinese to resume its policy of pushing toward a more flexible exchange rate, rather than in the interest of the US." "If China's currency appreciates very significantly in a short time it would not be a good thing and it would raise costs for US consumers," said Xia Bin, director general of the Financial Research Institute of the Development Reform Council, a body affiliated with the country's Cabinet. Xia advises the government on monetary policy.

"We need to pursue an independent currency regime, and I believe in the long term we will see the exchange rate floating more," Xia said. While the talks on Thursday were seen as a positive development, analysts were not expecting any significant new agreement to come out of the visit.

*Source Associated Press via CNTEX*

## **China Interdye Aims at Being the No. 1 Event Through Ten Years' Effort**

DATE: 2010-04-09



The 10th China International Dye Industry, Pigment and Textile Chemicals Exhibition ("China Interdye 2010") is to be held at INTEX Shanghai and Shanghai Mart during April 14th-16th, 2010. The event is organized by the China Dyestuff Industry Association, China Dyeing and Printing Association, China Council for the Promotion of International Trade, Shanghai Sub-Council, China Chamber of International Commerce, Shanghai Chamber of

Commerce and co-organized by Shanghai International Exhibition Service Limited Company. China Interdye occupies 22,000 Sq.m. and attracts over 420 domestic and overseas exhibitors from 14 countries and regions including many foreign giants such as DyStar, BASF, Tanatex, Huntsman, Yorkshire, Novozymes, Clariant, Lamberti, Bozzetto, M. Dohem and certain renowned Chinese companies such as Longsheng, Runtu, Jihua, Yabang, Huali, Transfar, Dymatic, Anoky, Merida, Jeco, Jingjin, as well as several national groups from India, South Korea and Taiwan. China Interdye 2010 continues to be the largest dyestuffs exhibition over the world.

Dyestuffs and organic pigments are widely used in textiles, food, the lighting industry, coatings and printing ink, etc. Through several years of stable development, China has become the world's

Source: China Textile Network Company

biggest producer, trader and consumer of dyestuffs. In 2009, China produced 719,000 tons of dyestuffs and 182,000 tons of organic pigments. The import and export volume of dyestuffs and organic pigments was 284,000 tons and 139,000 tons, trade volume of which reached USD 1.29 billion and USD 0.89 billion respectively. For the Chinese dyestuffs industry, the first quarter of 2009 was the most depressed season, and then the situation rebounded month by month from April. From January to November, the number of large-scaled printing and dyeing enterprises were 2,328, increasing by 247. The printing and dyeing textile's output was 48.272 billion meters, up 7.84% year on year and the growth accelerated by 3.71%. The total profit was 7.672 billion RMB, up 22.84% year on year and the growth accelerated by 25.84%. The sales margin was 3.64%, up 0.52% year on year. Although the financial crisis is almost behind us, the declination in exports is still the biggest factor confronting the growth of the industry in 2010. China Interdye 2010 aims to accelerate the recovery of the dyestuffs industry, to provide an industrial gala for both exhibitors and visitors, and to promote international trade and cooperation.

A special area with the theme of "energy saving and environmentally friendly" is set up for the first time in China Interdye 2010, which is also a response to China's policy of reducing emissions and saving energy. The theme is highly accepted by the industry and meets the needs of their adjusting product structures and increasing companies' core competition. The area will be the best platform for those environmentally friendly products and many companies will join us, such as Visbe, Tianchuang, Hongda, Xintai, Gece, Luyue, Sino and Zhongyi, etc.

In addition, a large number of activities and technology seminars will traditionally be held. The board meeting of China Dyestuff industry and China Dyeing and Printing Association is to be held during the show. Many conferences will be organized by the China Wool Textile Industry Association, China Knitting Industry Association, China Bast and Leaf Fibres Textile Association, Ink Branch of China Daily-used Chemical Industry Association, Masterbatches Speciality Committee of China Dyestuff Industry Association, and the Textile Printing Auxiliaries Speciality Committee of the China Dyestuff Industry Association, etc. Meanwhile, lots of famous enterprises, including Novozymes, Yorkshire, Hohenstein Textile, Dymatic and Fiberchem Technologies have confirmed to host workshops to introduce their advanced technologies and ideas.

China Interdye will celebrate its 10th anniversary this year. Through a decade of steady development, China Interdye has become the largest and most influential dyestuffs trade show with the longest history. From 2000 to 2010, the space of China Interdye increased from 2,000 sq.m. to 22,000 sq.m., the number of exhibitors increased from 100 to over 420 and trade visitors increased from 6000 to 37,983. In 2007, China Interdye became an approved event of the Global Association of the Exhibition Industry (UFI), which was the first one of its kind over the world. After ten years efforts of innovation, we will continue to do our best for our customers to keep China Interdye the No. 1 global dyestuff event in the future.

*Source PR Newswire via CNTEX*