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China's industrial profit up 61.1% in first seven months

DATE: 2010-08-27

Profits of Chinese industrial enterprises in 24 regions climbed 61.1 percent year on year to 1.88 trillion yuan (275.90 billion U.S. dollars) in the first seven months, the National Bureau of Statistics (NBS) said Friday. The growth rate was 10.7 percentage points lower than that in the first half year, said a statement on the NBS website. Among the 39 industrial categories in the survey, total company profits in 36 grew year on year, according to the statement. The survey covers industrial enterprises with main business revenues above 5 million yuan annually. The 24 regions comprise all of the Chinese mainland provinces, municipalities and autonomous regions except the Inner Mongolia and Tibet autonomous regions; Hunan, Guangdong, Hainan and Yunnan provinces; and Chongqing.

Source: Xinhua via CNTEX

Textile Industrial Added Value Grew 11.1% in July

DATE: 2010-08-26

The statistics-worthy enterprises (whose annual output beyond five million yuan) reported 13.4% growth of industrial added value in July, up 0.3 percentage than that in June. From Jan. to July, the industrial added value of statistics-worthy enterprises grew 17.0%, 0.6 percentage points lower than that of first half. By the category of industry, 39 industries kept positive growth in this month. The heavy industry grew 13.3%, while light industry up 13.5%. Textile industrial added value grew 11.1% in July. That's 1.2 percentage points higher from June. Chemical industry grew 13.7%, down 0.2 point from last month. From Jan. to July, textile industrial added value grew 11.6%. That's 4.4 percentage points higher than that in first half. While chemical industry grew 17.6%, up 9.9 points year over year.

Source: CTEI News

Shanghai Home Textiles: Brand Bedding and Towelling Zone expanded to an entire hall

DATE: 2010-08-26

With positive feedbacks in 2009 fair, this zone has upgraded to an entire hall located at Hall W2. It gathers renowned international and Chinese brands such as Wedgewood from the UK, Kuan's Living from Italy, Menglan, Sunvim, Veken and Yuyue from China. More product zones are clearly signposted at the fair including the Down Products Zone in Hall W3 and the non-textile related home textile products zone in Hall E6.

Source: CTEI News

Shanghai Home Textiles: The first Interior Decorative Product and Wall Zone

DATE: 2010-08-26

This new product zone in Hall E6 highlights renowned suppliers from China. Products include decorative lighting, ceramic and glass house wares, decorative paintings, mirrors and frames, textile made and other home d'cor plus wall covering products and accessories. Observing China's growing consumer market, leading wallpaper manufacturers Zambatti, a new exhibitor from Italy and P+W, a returning exhibitor from Korea have joined the 2010 fair under this new product zone. There is a huge space for growth in the Chinese market as consumers now have a higher demand for home decoration items. We believe this fair can help us expand our business in this region, commented Ms Zhai Lu Lu from Zambatti. This time we will bring a vast range of wall coverings in different patterns and materials. We hope to meet with more quality buyers at the 2010 show, said Mr Junehee Shim, Manager for P+W.

Source: CTEI News

Shanghai Home Textiles: A New European Zone

DATE: 2010-08-26

Located in Hall W1, this brand new European Zone features leading suppliers including Marutx and Rafael Catala from Spain supplying upholstery products; Eisenkolb from the Netherlands and Aznar from Spain supplying curtain products; plus more companies from Belgium, Germany, Denmark, Italy and Sweden. They showcase a range of luxurious home textile products from curtains to upholstery fabrics. First time exhibitor from Sweden, Ekelund is enthusiastic about its participation in the new zone. It is a good idea to organise the European zone and we are glad to be part of it. Another important reason for us to join the 2010 show is the increasing purchasing power of the Chinese consumers. We expect to meet with distributors and wholesalers in this region at the fair, said Mr Kent Vikingsson, Vice President for the company. Returning exhibitor Mr Xavier Girones of Athenea from Spain agreed with Mr Vikingsson about organising the European Zone. Our experience last year was positive. Even after the show, we were very busy following-up the business enquiries received on-site. We hope to expand our customer database and sales in China as well as other markets, he further added.

Source: CTEI News

Shanghai Home Textiles: Country pavilions' area expanded

DATE: 2010-08-26

Among the total exhibitors, 240 are international suppliers. They include country and regional pavilions from Pakistan, Portugal, South Korea, Taiwan and Turkey located in Hall W1. With a vast increase of curtain manufacturers exhibiting in the Turkish pavilion, it will form the biggest pavilion at the show. Since the Chinese market is becoming more important and sophisticated, Mr Ibrahim Burkay, the president for Uludag Exporters' Association and the person in-charge of the Turkish Pavilion has brought more leading home textile brands to exhibit in the 2010 show. Among them include Verdi, Vanelli, Demor, Elvin and Guleser.

"We are seeing an outstanding increase in Turkish home textile exports to China, up 44% in the first quarter of 2010. The show always exceeds our expectations. During the previous edition our companies not only met with existing clients but also established new business contacts with Chinese and overseas buyers. The show is an ideal platform in Asia to conduct business," said Mr Burkay. The Taiwanese pavilion has also increased by 40% in scale compared to last year's show. This year, we expect to meet even more international buyers and existing customers, so we have enlarged our booth, said Mr Wang Zhi Hung from Full Colour Co Ltd, a repeat exhibitor in the Taiwanese pavilion. Mr Wang further added that the booth design is upgraded to promote the company's new collection of upholstery fabrics.

Source: CTEI News

Zuma Hopes to Tame Beijing Trade

DATE: 2010-08-25

China this week welcomes President Jacob Zuma for a two- day official visit in what analysts believe is an attempt by SA to force China's hand to concede to more favourable trade concessions. SA has over the years struggled to compete with China's economies of scale, especially within the clothing and textile industries. This prompted SA in 2006 to negotiate a voluntary import restraint agreement with China restricting the import of clothing and textile materials into SA. The agreement, introduced from the beginning of 2007, was aimed at curtailing job losses and to give enough time to SA's textile industry to improve productivity . The Textile Federation of SA estimates Chinese clothing and textile exports to SA account for 89% of all clothing and textiles exported to SA. India and the rest of the world account for 3% and 8% respectively. It seems that the restraint agreement has had little effect .

Gilberto Biacuana, then an economist at the South African Institute of International Affairs, last year said SA's clothing and textile industries had lost about 69000 jobs in the past six years. In a desperate attempt to protect the loss of jobs of its members within these sectors, the Congress of South African Trade Unions last year succeeded in having its point man, Ebrahim Patel, appointed to Mr Zuma's Cabinet. The union federation hoped Mr Patel would act as a proxy, influencing economic policy and promoting protectionist measures in vulnerable manufacturing industries. Mr Patel, the minister of economic development , is yet to assert himself on economic policy formulation. The clothing and textile industries are likely to top Mr Zuma's agenda in China. This visit is his second this month to a major emerging market economy. He was invited by the Russian Federation as the federation attempts to regain lost ground in Africa.

Source: CTEI News

Shanghai Home Textiles: International Brand Numbers Increased

DATE: 2010-08-25

"The number of overseas exhibitors is a key indicator to evaluate the international level of an exhibition," said Xu Yingxin, the Executive Director of CCPIT-TEX. Diane Harrison Designs (a design studio from UK, specializing in fabrics design in printing, woven, embroider and wall covering), Dicitex Decor Exports (a leading Indian decorative fabrics manufacturer, involving in the producing of interior textiles, curtain and beddings fabrics.), DyKon A/S "a pillow and quilt manufacturer from Danmark, who make patented anti-microbial products, which following the strict EU standards", NICHA (Shanghai) International Trading Ltd. (a 20-year-history beddings company from Taiwan, who supply various products to different countries. It entered into Shanghai in 2006 and imported goods from Asia, Europe and Austrilia, with brands like CK Home and its own brand Wentex), Richloom Shanghai Trading Co Ltd (an American company since 1950, supply decorative fabrics, woven fabrics and beddings), all those overseas exhibitors bring features for this show.

Show participants will find an extensive range of home textile design concepts at the Designer's Studio in Hall W1. This special area will gather 23 home fashion designers from France, Italy, Japan, Korea and UK to present the best designs, prints and patterns at their country. "China is a very important market and the show is the ideal platform for us to tap into this region. We will showcase a wide-selection of designs made from velvet, silk and other luxurious materials. By exhibiting, we hope to build more connections with Chinese buyers, especially as European design styles are becoming more popular among the Chinese consumers," said Mr. Michele Alois from Antonio alois & Figli - Compagnia Creativa, one of the exhibitors in the Designer's Studio from Italy. Visitors can also gain inspirations from traditional Chinese, European and Southeast Asian textile weaving patterns and techniques at the Cultural Heritage Zone located in Hall E5, demonstrating the synergy effects of eastern and western traditional textile cultures. Intertextile Shanghai Home Textiles 2010 has been expanded from nine to ten halls. Exhibitors who benefit from the expansion include suppliers exhibiting in the international hall, especially those participating under the Taiwanese and Turkish pavilions, which have significantly increased by 40% in scale.

With the Chinese market becoming more important and sophisticated, Mr Ibrahim Burkay, the president for Uludag Exporters' Association and the person in-charge of the Turkish Pavilion will bring more leading home textile brands to exhibit in the 2010 show. Among them include Verdi, Vanelli, Demor, Elvin and Guleser. "We are seeing an outstanding increase in Turkish home textile exports to China, up 44% in the first quarter of 2010. The show always exceeds our expectations. During the previous edition our companies not only met with existing clients but also established new business contacts with Chinese and overseas buyers. The show is an ideal platform in Asia to conduct business," said Mr Burkay. Mr Wang Zhi Hung from Full Colour Co Ltd, a repeat exhibitor in the Taiwanese pavilion agreed with Mr Burkay. "This year, we expect to meet even more international buyers and existing customers, so we have enlarged our booth." Mr Wang further added that the booth design would be upgraded to promote the company's new collection of upholstery fabrics.

Source: CTEI News

Shanghai Home Textiles: Home Textiles Underline Chinese Elements

DATE: 2010-08-25

2009 InterTextile Shanghai Home Textiles Fair was regarded as an important event to gather manufacturers together and enhance their confidence to fight back the economic crisis and help them to explore high-end markets in home and abroad to get the margin profits in the added value.

Source: China Textile Network Company

While for this year's show, it is expected to underline the Chinese culture in the home textile sector. Yang Zhaohua, the President of China Home Textile Industry Association said a special intangible cultural heritage zone would set again this time, but the exhibitors reduced from last year's 17 to 8 this year (including Blue Printing Fabrics, Shen Embroidery, YunJin fabrics, DongJin Fabrics). Those selected products could better express the traditional Chinese culture. The relative training is under way and help the exhibitors to improve their exhibition skills, design and marketing to promote the intangible cultural heritage to commercialize.

Dunhuang Institute will appear in the intangible cultural heritage zone and market their China Dunhuang Texture and Pattern Show. Those texture and pattern were chosen by Dunhuang Culture Fund and re-design based on the original Dunhuang mural painting. Top 10 texture and patterns will be discussed and elected during the show. The organizer try to combine the historic element with modern industry to make development of Chinese culture. Since its first beginning, IntetTextile Shanghai Home Textile Fair has become the best platform to companies in home and abroad to display their capabilities. It's a platform for exhibition, communication and comparison. This year the pan home textile concept get more mature. Not only more bedding brands participate this show, but also more non-textile products like wall paper and accessories join in.

Source: CTEI News

China to Fine-tune Export Policy Settings in the Second Half

DATE: 2010-08-25

According to statistics released by the General Administration of Customs, in July, China's export volume as well as its total volume of imports and exports reached their highest monthly total since July 2008. However the real numbers are not so optimistic. We conducted an investigation a couple of days ago. The export situation is not as good as expected. We are worried about the fourth quarter of this year and the first half of next year, an anonymous source with the customs agency said. The Ministry of Commerce shares the same opinion that this year' export situation is not stable and thus foreign trade policy will be mainly remain the same in the second half of the year; policies concerning industries that are energy-intensive and have high pollution will be slightly adjusted.

The Market is Worse than Expected

The above source analyzed the growth rate of ordinary trade and processing trade in July. He said, based on statistics, the growth rate of processing trade item exports was obviously lower than that of ordinary trade. In the first seven months of this year, China' total import and export volume was 850.4 billion US Dollars, up 35.6 percent on the level of the same period last year; its common trade exports were 390.1 billion yuan, up 38.3 percent on that of the same period last year, a growth rate 2.7 percentage points higher than that of the export total. In the same period, the total import and export volume of processing trade was 629.5 billion US Dollars, up 36.1 percent, with 398.4 billion yuan of exports, up 32.4 percent which is lower than the total export growth rate. The influence of foreign demand on the processing trade is relatively obvious; the statistics indicate that foreign demand is not growing as fast as expected, the above source said, We think most of the purchase orders are restocking. The growth rate of processing trade imports is higher than that of its exports. This indicates that the production materials imported by Chinese companies are greater than the amount of goods they are exporting; foreign demand has not reached the level expected by optimistic entrepreneurs, though, this may also be due to the production cycle, the above customs agent stated.

This source went on to say that, as Europe, the US, and China' other important trading partners enter a period of stockpiling, their demand for Chinese goods might be further weakened. Another

aspect is that developing Asian markets, led by India, are introducing higher bank interest rates. This is not good news for China's exports. Lian Ping, chief economist of the Communications Bank of China, said that the tightened currency policy in these countries will affect their domestic demand, thus causing China's exports to decline. Judging from the domestic situation, the increasing pressure to increase workers' medium and long-term wages, the increasing fluctuation of the RMB exchange rate, the shrinking profit margins of export companies and many other elements may greatly affect the slowdown of the export growth rate. Traditional sectors are more sensitive to these factors. In July, the export volume of the textile sector increased by 11.4 percent on the level of June, lower than the increase rate in June of 2009 and 2008 which were 17 percent and 19 percent, respectively, indicating that the growth rate is slowing compared with previous months. According to Wang Qianjin, chief editor of the China Textile Network, by comparing the current export growth rate with that of previous years, the effects of weak foreign demand are becoming obvious; export orders from the textile industry have been continuously declining. Wang said, beginning August, particularly in the fourth quarter, China's textile exports would experience a reduction of growth. He has predicted that the growth rate will fall to 15 percent in August and that the overall export growth rate for the first eight months will remain around 20 percent.

Fine Tuning Foreign Trade Policy

Generally speaking, the situation both at home and abroad is unstable, so foreign trade policies in the second half of the year will mainly remain unchanged, an anonymous source with the Ministry of Commerce said. "There are only several months left to reach carbon-emission reduction targets set in the 11th Five-Year plan. All the ministries are trying every means possible to reach their targets. So the foreign trade policies regarding high pollution and energy-intensive industries will be fine-tuned." The fine-tune is referring to the slight adjustment of the export rebate and policies concerning the processing trade. On June 22, the Ministry of Finance and the State Administration of Taxation co-released a notice to eliminate the export rebate for 406 export items as of July 15. Additionally, during the next half of the year, the environmental protection related tax reimbursement for exports will possibly also be adjusted further.

Jiang Yaoping, Vice Minister of Commerce publicly stated on August 11 that in the second half of the year, the central government might adjust export rebate policies concerning high-pollution and energy-intensive industries according to the national strategy of saving energy and reducing carbon-emissions. The Ministry of Commerce is currently discussing the Plan to Upgrade and Transform Processing Trade that is focused on saving energy and reducing carbon-emissions. It plans to do so by moving certain energy-intensive and high carbon-emission products from the Catalogue of Restricted and Prohibited Commodities in Processing Trade to the Catalogue of Prohibited Commodities. Those prohibited commodities are selected based on the notice to reduce overcapacity in some sectors which was released last year by the State Council and formulated by the National Development and Reform Commission and other related departments. We are mainly restricting products of industries that have a huge export volume but not a large influence on the Chinese economy, the above source with the Ministry of Commerce said. I expect the new policy to be issued in the second half of 2010.

Source: by Rose Scobie and Ruoji Tang via CNTEX

List of Obsolete Companies to Shut Down Published

DATE: 2010-08-23

Ministry of Industry and Information Technology published a list of obsolete companies on August 8th who are required to shut down by the end of Sept. The list involved 18 industries and 2087 companies. 201 of them are dyeing and printing companies; 25 chemical fiber manufacturers. The

Source: China Textile Network Company

major obsolete companies in 2010 involved in the following industries: cement, 762 companies; paper-making, 279; dyeing & printing, 201; coke, 192; iron-making, 175; iron alloy, 143; tanning, 84. Divided by regions: Henan, 230 companies; Shanxi, 226; Zhejiang 180; Hebei, 165; Yunan, 165; Guizhou, 128. Relating to textile industry, 3.82 billion meters dyeing production capacity need to shut down, as well as 674,000 tons chemical fiber's production capacity. Zhejiang ranked No. 1 in the shut-down mission as 2.15 billion meters dyeing fabrics and 241,000 tons chemical fiber, accounting for 56% and 35% of total amount. Henan need to shut down 500 million meters dyeing fabrics production capacity, ranking No. 2. Jiangsu, Shandong, Fujian, Hebei and Guangdong all need to shut down at least 100 million meters.

For the chemical fiber, Jiangsu need to shut down 165,000 tons; followed by Sichuan, Henan, Fujian, Shanxi, Liaoning, Shandong, Hebei and Xinjiang. They all need to shut down at least 10,000 tons.

Source: CTEI News

China Cotton Market Report in First Half 2010

DATE: 2010-08-23

Prices hit a record high

In Jun. 2010, China Cotton Index for 328-Grade reached CNY 17,894 a ton, adding 19.84% over Jan. 2010. Same happened to the international cotton prices. The Cotlook A index in Jun. reached to 93.04 cents per pound, up 51.53 points from last year. The both of them hit a record high.

Industry recovery pushing up cotton price

Cotton prices extended gains over the past few months, as incremental domestic demand was outpacing incremental supply. China's cotton textile industry saw a continue increase in cotton yarn production in the first half of 2010. Looking further, from January to June, output of cotton yarn and cotton blend yarn reached 9.7192 million and 1.2414 million tons, up 15.84% and 13.71% respectively from the previous year's period. There are other factors pushing up cotton prices. Cotton output in China totaled 6.40 million tons in 2009/10, down 14.67% from a year earlier. The harvest was approaching its end, but some growers and traders were still reluctant to sell due to expectations that prices will rise further.

The supply is not only from domestic cotton mills but also from outside. High import costs may push up cotton price also. China's State Council has upped the first half 2010 import quota to 3.562 million tons. As we known, imports of cotton under quotas are subject to 1% customs duty rate. Imports without quotas are subject to 5~40% sliding duties. Goods delivered for cotton exports surged 109.84 per cent to 1.5451 million tons in the first six months from the year-earlier period. Goods delivered for cotton exports in Jun. increased by 5.1 per cent to 177,200 tons. Export price surged 47% to \$1,834/ton in Jun.

Prices began easing

China Cotton Index for 328-grade began easing since Jul. 12 as the slack season for yarn sales coming up and the releasing of government reserved cotton. On Aug. 6, China Cotton Index for 328-Grade was CNY 18178 a ton, 241 less than the price on Jul. 9. China will auction 600,000 metric tons of cotton from state reserves from Aug. 10 to satisfy demand and stabilize the market, the China Cotton Association said.

Global production rebounds on price rise

Global cotton production is forecast at 25.2 million tons in 2010/11, up by 15% from 2009/10. Farmers have reacted to the jump in cotton prices in 2009/10 by significantly expanding their

plantings in 2010, according to International Cotton Advisory Committee. The average yield is expected to improve slightly to 766 kg/ha. The rebound in production is driven by the United States, where output is anticipated to jump by over 50% to 4.1 million tons. Larger crops are also expected in India, Pakistan, China, Brazil, Uzbekistan, Turkey, Australia, the CFA Zone, and many other countries. Output in India and Pakistan is forecast to rise 6.4 percent and 6.3 percent to 5.4 and 2.2 million tons, respectively, according to the USDA. People are also watching if India and Pakistan, the world's second- and fourth-largest producers, will be able to deliver their estimated output.

World cotton mill use is projected to continue to recover in 2010/11, growing by 2% to 24.9 million tons, pushed by continued improvement in global economic growth. China and India are expected to account for 80% of the increase in world cotton mill use in 2010/11. Global imports are expected to continue to recover in 2010/11, rising by 4% to 8 million tons. This increase will be driven by Chinese imports, forecast 22% larger at 2.9 million tons. U.S. exports are projected up by 19% to 3.2 million tons in 2010/11, whereas Indian exports could decline to 1.2 million tons due to a reduced exportable surplus. As world cotton production is expected to exceed mill use in 2010/11, world ending stocks are forecast to rise by 3% to 9.8 million tons. The global stocks-to-use ratio is expected to remain stable at 39%, much lower than the recent five-year average of 49% (2004/05 to 2008/09). The ICAC Price Model forecasts a 2010/11 season-average Cotlook A Index of 85 cents per pound. The 95% confidence interval extends from 71 to 102 cents per pound. This forecast implies a 9% increase with respect to the 2009/10 average. However, caution must be exercised since all commodity markets are subject to great uncertainty.

Outlook

According to data collected from 11,773 statistics-worthy Chinese cotton spinning enterprises surveyed by National Bureau of Statistics of China, from January to May 2010, main business income of the industry increased by 29.2 per cent to 447.13 billion yuan; total profits jumped 75 per cent to 20.66 billion yuan; goods delivered surged 29.2 per cent to 36.04 billion yuan. During Jan.-May period, enterprises in cotton spinning sector saw their ratio of profit growth edged up by 4.62% year on year, 0.2% higher than the average level of the whole textile industry. The growth was attributed to an increase in domestic sales and market confidence. However, cotton prices have been increasing at an unprecedented level in China. Prices have been going up internationally as well. Cotton spinning mills face a challenging environment in high purchasing prices with stockpiles falling where it may be difficult to pass higher material costs on to higher yarn prices.

Source: CTEI Exclusiv