

EXTRACT

Content:

- **Vietnam is the second largest market for China's fabric exports**
- **China's exporters feel the pain of shoppers in Europe, U.S.**
- **Wool Textile Institute to Develop High-end Material**
- **Mainland, Hong Kong sign economic, trade cooperation projects**
- **YIWU H&G 2011 - gathering of top enterprises & equipments**
- **2011 China International Knitting Trade Fair:becoming new platform of industry transformation and upgrading**
- **China knitting industry economy performed well in H1**
- **23.1% Jump in Online Apparel Retail Sales for Q2**
- **China economy there is no second bottom**

Vietnam is the second largest market for China's fabric exports

DATE: 2011-08-19

At present, Vietnam is the second largest market for China's fabric exports, only next to Hong Kong, fabric exports account for 61.6 percent of China's textile and garment exports to Vietnam.

In the first half, China's fabric exports to Vietnam registered US \$1.86 billion, an increase of 70.9 percent year on year, mainly exports were cotton fabrics, export value amounted to US \$700 million, an increase of 79.9 percent, export price marked US \$1.84 / meter, an increase of 33.1 percent year on year.

Exports of finished products and clothing were US \$483 million and US \$ 416 million, representing an increase of 63.8 percent and 18.7 percent, respectively, year on year.

China's yarn exports to Vietnam scored US \$260 million, up 120.2 percent year on year, main exports were chemical fiber yarn, export price rose 23 percent year on year.

Source: ccfgroup via CNTEX

China's exporters feel the pain of shoppers in Europe, U.S.

DATE: 2011-08-19

Overseas demand for Chinese goods remains shaky - official

- Orders likely to slow, and some Christmas orders may be cut -execs
- Rising yuan will hit exporters
- But heavy machinery makers still optimistic
- Expected fall in exports will not be as bad as 2008 -economists

By Sui-Lee Wee

Chinese exporters are bracing for bad news as shoppers in their two biggest markets -- Europe and the U.S. -- increasingly stay at home.

A week after surprisingly strong export data for July, interviews with 16 Chinese manufacturers showed that most expect a slump in exports in the coming months, particularly for textiles and electronics.

"Right now with Europe's debt crisis, people are making less, and they will have to buy less too. That will have a big impact on our business," said Roger Wen, manager of the Shenzhen Design Center Co, which exports small home appliances such as microwaves and coffee makers.

"Christmas orders have already come in and they aren't bad, about the same as last year. But I'm not sure all the orders will go through in the end," he said. "When we get to September and October, who knows if they'll still want the shipments. They might cancel."

Li Rongcan, assistant minister of commerce, warned that overseas demand for Chinese goods remains shaky in the face of debt problems in the United States and the European Union, the China Daily newspaper quoted him as saying.

Many Chinese managers agree.

"New orders will probably contract in coming months," said Kevin Hou, president of Beijing Pumson International Co., a home radiator exporting business that ships around 50 percent of its products to Europe.

"I'm expecting about a 10 percent contraction across the industry," he said. The company's orders are already down about 5 percent compared to the same period a year ago.

RISING YUAN

Any slowdown in orders would come at a bad time for China's exporters, who are already grappling with rising labour and raw material costs and a gradually appreciating yuan.

Speculation is growing that Beijing may be engineering a "mini-revaluation" of the currency, which would make Chinese shipments of electronics and apparel more expensive, but help boost domestic consumer spending by making imports cheaper.

With revaluation a strong possibility, economists warned that many exporters could go bust.

"A stronger currency will ultimately force producers of low-value added export goods to either move up the value chain or go out of business, a structural adjustment that is unavoidable in the medium term in light of rising costs for labour and other input factors," said Thilo Hanemann, research director at New York-based Rhodium Group, an economic research firm.

China's leaders have always stressed that a sharp yuan appreciation would hurt the country's exporters. During the 2008 global financial crisis, it re-pegged the yuan to the dollar to support manufacturers and preserve jobs in a sector that employs at least 130 million or so migrant workers.

However, Beijing, which has said it will promote high-value sectors like technology, has recently said little about shoring up low-cost factories in the face of a rising yuan, suggesting that the government's priorities have shifted toward battling inflation and correcting macroeconomic imbalances.

Under pressure from its trading partners, China has allowed a more sustained strengthening of its currency -- it has appreciated 6.3 percent against the dollar in the last year and 3.1 percent since the start of this year -- and now China's exporters are complaining.

Su Xiaofan, who owns the Guangzhou Kadier Handbag Co. factory in southern Guangdong province, said he is closely watching the depreciation of the dollar against the yuan, adding that passing extra costs to consumers will be difficult.

He said the company has laid off workers and moved its factories to rural areas with lower rents.

"We haven't come up with any real solution but the profit is so little that we have to do something," he said. "We have to figure out ways to increase productivity and change from simply taking orders and producing for foreign companies."

"The room for profit is so thin for us that getting orders doesn't mean we can make good profits," he said. "Some customers have turned to suppliers that can offer lower prices, like those in Africa."

Victor Fung, chairman of consumer goods exporter Li & Fung, told a forum in Hong Kong on Wednesday that overseas buyers are increasingly seeking supplies from outside China, in low-cost centres such as Vietnam, Bangladesh and Indonesia.

A bleak outlook in the United States and Europe and a potential yuan revaluation is likely to be less of a problem for higher value-added companies such as the heavy machinery makers that have higher margins than the textile makers.

"The entire heavy industry is doing very well in exports," said a man, who only gave his surname Ma, from the export and import department of XCMG Construction Machinery Co.

China's vast manufacturing sector shrank slightly in July in response to tight monetary policy and weak global demand, according to a purchasing manufacturers survey.

However, Ben Sempfendorfer, an economist and managing director at Silk Road Associates in Beijing, said the expected fall in exports would not be devastating.

"I think they will struggle to hold up, but I don't think they'll collapse like what we saw back in 2008" at the start of the financial crisis, he said. "We need to see something nastier in the global economy for exports to start to contract."

China is also helped by strong domestic consumption, which will help shield growth in the world's second-largest economy, Arthur Kroeber of GaveGal Dragonomics told Reuters Insider.

"If you had a substantial weakening of export demand both in the United States and Europe," said Kroeber, "it's conceivable that could knock a point or so off GDP growth -- maybe a bit more but not that much more."

Source: REUTERS via CNTEX

Wool Textile Institute to Develop High-end Material

DATE: 2011-08-18

A wool textile research institute has been founded in Longkou, Shandong province.

At present, most of the top-quality wool is imported. Nearly 80% of the wool produced in China is of low quality, which is an obstacle for the development of the country's fashion industry, says Song Riyou, general manager of Shandong Nanshan Textile Apparel Company.

The institute, co-founded by Xi'an Polytechnic University and the company, aims to develop top materials for China's fashion industry.

Source: China Textile Leader via CNTEX

Mainland, Hong Kong sign economic, trade cooperation projects

DATE: 2011-08-18

The Chinese mainland and Hong Kong partners signed eight big economic and trade cooperation projects here on Wednesday at a ceremony attended by Chinese Vice Premier Li Keqiang, who is in this Special Administrative Region on a 3-day visit.

Source: China Textile Network Company

The eight deals included a loan cooperation between banking giant HSBC and textile company Chinatex, R&D cooperation between Chinese battery and electric car maker BYD and Hong Kong Automotive Parts and Accessory Systems R&D Center, a loan contract between Standard Chartered and Binhai New Area in Tianjin Municipality, Genius LTE cooperation between Hutchison Telecom and Hong Kong Telecom and Huawei Technology, an MOU between Hong Kong's investment promotion agency InvestHK and the investment promotion department under the Ministry of Commerce, and among others.

These projects were aimed to support further development of Hong Kong as a global center for finance, trade and shipping, and to strengthen cooperation in the areas of logistics, technology, emerging industries, trade and investment between the mainland and Hong Kong.

The vice premier, along with Minister of the National Development and Reform Commission Zhang Ping, Minister of Commerce Chen Deming, central bank governor Zhou Xiaochuan and Hong Kong SAR Chief Executive Donald Tsang, witnessed and toasted the signing of the eight projects.

Source: China Daily via CNTEX

YIWU H&G 2011 - gathering of top enterprises & equipments

DATE: 2011-08-18

The 12th China (Yiwu) International Exhibition on Hosiery, Knitting, Dyeing & Finishing Machinery (YIWU H&G 2011) will be held on 23-25 November 2011 at Yiwu International Exhibition Centre, Yiwu, Zhejiang, PR China. Riding on the success of the past 11 years, YIWU H&G has been recognized as the professional exhibition specializing in hosiery and seamless underwear machinery, which becomes a must-go knitting exhibition for both local and overseas knitting manufacturers.

"12th Five Year Plan" Drives Rapid Development of Textile Industry

According to the latest report about the world's industries analysis, Asia Pacific regions will become the world's largest single market for textile machinery. Until 2015, Asia is expected to be one of the world's fastest development markets. There will be huge potential for China's textile machinery market, and its influence to the global market is growing continuously.

More importantly, the planning, regulation and control of textile industry by Chinese government brings enormous business opportunities. "Outline for Science & Technology Progress of Textile Industry" states that under the 12th Five-Year Plan, China's textile industry should aim at enhancing technological advancement, promoting the use of advanced equipments massively, improving the technological innovative system, upgrading the production efficiency and added-value of products in textile industry.

A Cluster of Leading Enterprises Under One Roof

Benefited from the government policy and enormous market demand in China, as well as the accumulation of more than 11 years' experience and positive feedbacks, YIWU H&G 2011 has been supported by leading and renowned enterprises and regarded as an imperative platform to display their products. The current exhibitors recruitment process is under full swing, the amount of booth reservation is higher than the same period of last year. Part of the confirmed exhibitors and enterprises showing high intention to participate include:

Leading Circular & Seamless Underwear Machinery Enterprises: Santoni, Runyuan, Cixing, Cosine, Rifa, Aotu, first participation of Merz under K&E, etc.

Manufacturers of High-end Knitting Accessories and Knitting Needles: Memmingger-Iro(Taicang), Kern Liebers, Sinotech, Groz-Beckert, Yamagen, Samsung Knitting Needle, Jinpeng, Yantex, etc.

Source: China Textile Network Company

Famous Manufacturers of Knitting and Hosiery Machinery: Lonati, Jinheng, Shuishan, Rosso, Huihao, Yexiao, new comer—Shaoxing Royuan, etc.

High-end Braiding Machine Manufacturers: Switzerland's Jakob Muller, Dongguan Kyang Yhe, Yinglong, Yile, Jiasheng, etc.

Manufacturers of printing, dyeing & finishing machine: Xinya, Gold Fai, France's Heliot, Cubotex, Korea's Mingguang, Sande, etc.

All of them will showcase their latest machineries and technologies at YIWU H&G 2011.

Source: Fibre2Fashion via CNTEX

2011 China International Knitting Trade Fair: becoming new platform of industry transformation and upgrading

DATE: 2011-08-17

Sponsor by China national textile and apparel council, operated by China Knitting Industry Association, Sub-Council of Textile Industry, China Council for the Promotion of International Trade (CCPIT TEX), 2011 China International Knitting Fair will be held August 29-31 day in Shanghai at New International Expo center.

exhibition area of The Fair is over 10'000 square meters, which is reduced of 15000 square meters compared to the last fair; the amount of exhibitors is 200, besides small underwear enterprises transfer to Shenzhen international brand underwear exhibition, which increased 20% compared to last year. overseas exhibitors and covered area were significantly increased; attendee amount of professional traders is expected to increase 10% compared to the same period last year, and purchase intent should be more targeted.

The fair will become a new platform of industry transformation and upgrading. Various industrial clusters and small and medium enterprises have strongly desire to participate, mature knitting brand of high-end will pay their much attention to this fair. CNTAC will release knitting underwear Innovation Award for best enterprises in innovation area.

Source: CTEI.GOV.CN

China knitting industry economy performed well in H1

DATE: 2011-08-16

During Jan to Jun 2011, china knitting industry economy performed well at production, investment and exports and other relate indicators. During Jan to may, Industrial output and sales value of china knitting industry are growing steadily. about production value of China knitting industry achieve (current price) 203.284 billion Yuan, growing 25.6% compared to the same period last year; sales output value reached 198.01 billion Yuan, growing 25.5% compared to the same period last year. Production and marketing rate is 97.4%, produce and sale matched well.

Source: CTEI.GOV.CN

23.1% Jump in Online Apparel Retail Sales for Q2

DATE: 2011-08-15

Analysts International, the leading provider of information product, service and solution in China, found that apparel sales showed gains during the second quarter. Online apparel retail sales rose 68.9 percent year on year to CNY44.5 billion in Q2, accounting for about 23.1% of total online retail sales. Total online retail sales reached CNY192.4 billion.

Consumer apparel spending, looks more positive for this season. The strong growth was driven by strong performances from the Taobao. Online shopping provides opportunities for consumers to stretch their money through easier comparison shopping and greater access to promotions and deals. Besides, many manufactures and retailers have specialized in online sales, merchandising and marketing services.

Source: via CNTEX

China economy there is no second bottom

DATE: 2011-08-15

The National Development and Reform Commission Deputy Secretary General Li Puming said on Aug. 2, the Chinese economy has entered a stable cycle, there is no "second bottom". Stable growth of China's economy will continue.

Li Puming said, undoubtedly, China this year will face more pressure. All the uncertainties and turmoil within the world's economies, and finances, together with our growth pattern problems will continue affect China's economy. But, analysts said the GDP growth was still strong enough to ease fears of a hard landing, and the slight easing was an intended result of the country's economic restructuring which aims to shift the economy to a more balanced growth pattern from the current investment-led one.

Undoubtedly, industrialization, informationization, urbanization and domestic consumption provide the potential for the long-term growth. There is no "second bottom" for the Chinese economy.

Source: via CNTEX