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EXTRACT

Content:

Fashion in China needs to move upmarket

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There is no question that rising demand for luxury goods will soon make China one of the world's most valuable markets for the fashion sector. But what is uncertain is whether the local industry will transform itself in time to capture some of the spoils, or whether foreign labels will continue to dominate. In order for local fashion brands to become world leaders in their own right, they will need to evolve from merely copying foreign trends, to creating original Chinese fashion and a vibrant underlying industry.

The prize is significant. Local spending on luxury goods, including fashion, is forecast to increase from $10 billion in 2009 to $27 billion by 2015, or one-fifth of global demand. The brands that currently dominate the high-end market are noticeably foreign: Dior, Louis Vuitton, Chanel, Gucci and Armani. Even rivals that are pitched at more of a middle-market overseas, such as Zara or H&M, are highly coveted here.

This is a risk. As local incomes continue to rise, upwardly mobile young professionals will increasingly aspire to the high-end. Those that capture their spending will also gain a far higher margin business. But right now, it is the foreign brands that are best placed to succeed here. By contrast, Chinese brands dominate the mass-market, competing on price, rather than on sophistication and allure.

Making this step up the value chain is crucial, but will not be easy. Designer goods from Italy and France carry immediate cachet, whereas the "Made in China" label has become a global synonym for low-cost. This has helped propel China's growth as the world's workshop, but it is essentially toxic for fashion buyers seeking social status.

To adapt, aspiring Chinese luxury brands and retailers could do worse than look to France for inspiration in terms of how the French industry has been developed. Five specific lessons stand out:

1. Aim for the high end.

The French fashion industry got its name and legitimacy by long dominating the high end. It understands that fashion relies on several key rules: provide the best quality, an aura of exclusiveness and unparalleled customer service. Starting as early as the 17th century, it has sought to institutionalize this - from brand protection for its haute couture label, through to grands couturiers who define the season's trends in compliance with strict criteria. Although French fashion spans all segments of the market, it is particularly noted in the high end. In essence, haute couture acts as the research engine of the world's fashion industry. By not prioritizing this within China, local designers are missing the ability to build a world-class reputation.

2. Find financial backers willing to take a long-term view.

Fashion trends may switch even more rapidly than the change of seasons that they follow, but success in the industry requires a long view. Deep-pocketed angel investors backed both Chanel and Hermes for decades as they evolved. This is crucial for allowing up-and-coming young designers the time to develop into future stars. This is especially relevant for rapidly growing small and midsize local fashion brands, most of which are either self-funded or privately owned. These owners need to consider taking a longer view, reinvesting their profits into developing design talent for the future.

3. Be willing to open up to foreign investors.

Local brands should not veer away from foreign direct investment, but recognize that this can be a crucial part of the development of the broader fashion industry. The creation of the Shang Xia brand in 2010, with the backing of Hermes, is a useful example. Although some have decried its foreign backing, the reality is that its designs are based on local materials and crafts, done in collaboration with Chinese artisans. Over time, this will provide the necessary foundation for currently unknown names to develop and launch their own ventures. Local brands need to be willing more willing to reach out to foreign investors: less so for their capital, but more for their design talent and operational expertise.

4. Import and export top fashion talent.

All major innovation hubs rely on a diverse mix of cultures and nationalities to succeed. The local fashion industry needs to recognize this. Designers ought to be encouraged to spend time abroad, soaking up ideas, developing expertise and infusing Chinese design into other places, while foreigners should be welcomed here, too. Japan's Issey Miyake and Kenzo both cut their teeth in Paris before developing their own brands. Not only did Japan's fashion industry benefit as a result, but so did France's, not least by incorporating their breakthrough ideas around minimalism and textile innovation.

5. Help create a deeper and wider ecosystem to support the industry.

Every industry relies on a diverse ecosystem to succeed, and fashion is no different. Close cooperation is needed between companies, the media, the government and other stakeholders. Elle, Marie-Claire and Fashion TV, among others, all help to promote the allure of French design and fashion weeks, while government helps with tax incentives, intellectual property protections, design schools and broader industry marketing. Even fashion houses collaborate, via professional associations, such as the prestigious Comite Colbert, to help organize promotional events and exchange best practices. All this is needed here to help develop a deep underlying ecosystem.

These are all important lessons, but the reality is that they need to be adapted to local dynamics. Europe may be considered a diverse continent, but from a fashion perspective it's more homogenous than heterogeneous. The key fashion hotspots and retail areas are deeply understood, major urban markets and demographics change little each year, and disposable incomes are relatively comparable across key markets.

By contrast, China is unchartered territory. Growth is not just limited to the tier-one cities, but across the second, third and fourth tiers too. It is simply not feasible to fully understand the nuances of this huge and constantly changing retail environment. All this makes brand expansion far more challenging here.

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Source: China Daily via CNTEX

Slow China imports from India cut cotton prices

DATE: 2012-05-23

Cotton prices have dropped after China slowed imports from India, reducing gains for Indian farmers ahead of the next sowing season.

"If demand doesn't pick up in a fortnight, we might see increased availability at mandis before the arrival of monsoon crashing prices further," said an analyst.

On Wednesday, prices of export-quality Shankar-6 variety closed at Rs 33,700-34,000 per candy (of 356 kg each) at the Rajkot mandi with daily availability of 30,000 to 40,000 bales. Buying by domestic mills has been dull till now.

"Demand from China is very low this time. In the past fortnight, buying has been very less. Chinese mills are carrying a huge stock bought at a higher price from Brazil," said Bhadresh Trading Company MD Bhadresh Mehta, who is in China's cotton expo at Chengdu, Sichuan province.

Till now, shipments of 11.5 million bales have taken place with exporters expecting another 1 to 1.5 million bales this season.

Traders and ginners said that owing to a steep decline in international fibre prices, multinational merchants have started offloading the pressed cotton lots to local mills in Gujarat and Punjab.

The June contract on the MCX was trading down 0.7% at Rs 17,150 per bale (of 170 kg) on Wednesday. With over 120-lakh hectare of cotton crop, India is one of the largest cotton growing countries.

Source: CNTEX

Haute stuff

DATE: 2012-05-23

Fashions aimed at aristocrats, cold-shouldered in Paris, enjoy the limelight in China, reports Xu Junqian in Shanghai.

As Coco Lee walked out in the curvy, white, lace and satin gown at the Hong Kong designer Dorian Ho's debut fashion show in Shanghai, the Taiwan pop diva may not have known those few "small steps" made by her could be "a giant step" for the city, or perhaps the country's fashionistas.

"It's my first time to catwalk an haute couture show," said Lee, but this is also the first time for the city to feast on such a show featuring 48 flower-embroidered, beaded, handmade ball dresses. And the show makes guests impressed with Ho, who was honored as one of the top five Asian Fashion Designers at Moet and Chandon's Tribute to Asian Fashion Designers in 2006.

While the fate of haute couture is being debated in it's homeland, France, here in China the Parisian culture of extravagance and aristocracy is finding a new and fertile soil for rebirth.

Just hours after Ho's debut show, Bill Gaytten, the newly appointed creative director of Dior, wowed the country with his 40 "well-polished" outfits, the spring/summer 2012 couture show for Christian Dior, at the Roosevelt Club of the Bund in Shanghai.

Dior has been the first fashion house to bring haute couture from all over to China.

From the white-ribboned chairs to those "gorgeous slim-line chiffon and organza dresses", Gaytten played to the show's exclusive, by-invitation-only list of 350 guests, mostly celebrities and socialites in town, a world of fantasy and delicacy just as Christian Dior did at 30 Montaigne Avenue in Paris for his first haute couture show in 1947.

"Orders of last year suggested Chinese customers have shown an ever-growing interest in our couture," said Catherine Riviere, the directrice of haute couture for Dior, in an interview before the show. "Though they may not be very familiar with the procedure."

And last Friday, Jean Paul Gaultier, another one of the Big Four operators of haute couture, showed up in Beijing with his debut fashion show in China.

"Ready or not, haute couture is sweeping China," says Jumping Catwalk, a famous fashion commentator in China, who is known for his sarcastic observations of the industry.

"Everybody is talking about, or perhaps using the name of haute couture these days, though it's never for everybody and most of them didn't even know the meaning of the two words," he adds, insisting on using his pen name only.

By "using the name of haute couture", the Beijing-based writer and commentator refers to the growing number of domestic fashion designers following the trend to launch their own haute couture show.

Guo Pei, for example, one of the country's top dress designers, introduced her collections of "Chinese brides" early in May in Beijing with more than 50 extravagantly embroidered quaint-styled dresses that are "high sewed", or to translate to French as "haute couture", by her and other 30 designers for over 30 months.

"Were not the criterion set by the Chambre Syndicale de la Haute Couture in France, it would be very hard to draw a line between haute couture and tailor-made, especially when it comes to high-end handmade dresses," says Bian Xiangyang, professor of apparel study from Shanghai Donghua University and an expert on contemporary fashion history.

To qualify as couture, as that arbiter draws the rule, a garment must be entirely handmade by one of the 11 Paris couture houses registered to it. Each house must employ at least 20 people, and show a minimum of 75 new designs a year.

The British Daily Telegraph says haute couture, "colossal in its costs, tiny in its clientele, questionable in its influence," rests on the whims of less than 30 immensely wealthy women. "Although the number may have grown in recent years with the new prosperity of Asia, the number of couture customers worldwide is no more than 4,000."

Ji Cheng, a Shanghai native fashion designer, however, sees the trend differently. "I wouldn't call my designs haute couture or anything close, but that's a benchmark for me. And ideally, I hope my offspring could reach it," says Ji, who has her own brand La Vie, which often subverted traditional Chinese style and mixed Chinese elements.

Dubbed one of the most talented and successful domestic fashion designers, Ji has her collection introduced at Shanghai Fashion Week every year, with one or two pieces labeled as "tailor-making" especially for brides.

Ji says that she is also seeing a rising demand for exclusively made dresses among her clientele, but she thinks it is still too early for her to tap into the market. "We are still at a stage of learning," she says.

And Ji believes Chinese haute couture, if it will be one day, doesn't have to be all about dragons, Chinese knots and rich red colors. But a good piece of clothing can show its cultural roots through the details.

Source: CNTEX

Record levels in global shipments of new textile machinery

DATE: 2012-05-23

International Textile Manufacturers Federation (ITMF) releases shipment statistics Vol. 34/2011. After a sharp reduction in global shipments of new textile machinery in 2008 and 2009 as a result of the global financial and economic crisis in 2008/2009, deliveries of new textile machinery surged in 2010 and even stronger in 2011, in most cases to new record highs.

In comparison to 2010 global shipments of new spinning machinery increased by +15% (short-staple spindles), by +35% (longstaple spindles) and by +27% (open-end rotors), of new draw-texturing spindles by +42%, of new shuttle-less looms by +44%, and of new electronic flat-knitting machines by +37%.

Only worldwide shipments of new large circular knitting machines dropped in 2011 by -16%. These are the main results of the 34th annual International Textile Machinery Shipment Statistics (ITMSS) just released by the International Textile Manufacturers Federation (ITMF). The report covers six types of textile machinery, namely spinning, texturing, weaving, large circular knitting, flat knitting and finishing machinery.

The 2011 survey has been compiled in cooperation with some 118 textile machinery manufacturers, representing a comprehensive measure of world production. Spinning Machinery After shipments of new short-staple spindles plummeted in 2008 (-33%) and 2009 (-17%) they jumped back in 2010 (+75%) to pre-crisis levels and increased in 2011 by a further +15% reaching 14.33 million, an all-time high.

94% of all shipped short-staple spindles were destined for Asia (13.46 million), with China alone absorbing 8.90 million or 62% of global shipments, followed by India as distant second (2.49 million spindles or 17%), Bangladesh (639,000 or 4.5%), Turkey (628,000 or 4.4%) and Indonesia (517,000 or 3.6%).

Global shipments of long-staple (wool) spindles soared in 2011 by +35% to 113,250. Europe was the main recipient (53,750 or 47%), followed by Asia (49,000 or 43%), the America (8,750 or 7.7%) and Africa (2,000 or 1.8%). The single biggest investor in long-staple (wool) spindles was Turkey (32,500), followed by China (23,400), Iran (14,300), U.A. Emirates (9,000) and Italy (8,800).

Investments in open-end rotors jumped in 2011 by +27% to 572,250, a new record high. Asia was once again by far the biggest investor in this spinning technology installing in total 463,250 new rotors or 81% of global shipments. China was by far the biggest single investor in rotors absorbing

388,250 or 68% of global shipments. India was again distant second with a total of 37,750 new open-end rotors (6.6%), followed by Turkey with 35,250 rotors (6.2%), Uzbekistan with 10,250 rotors (1.8%), Brazil with 30,250 rotors (5.3%) and the USA with 12,250 rotors (2.1%).

Texturing Machinery

Shipments of single heater draw-texturing spindles (for polyamide filaments) fell from 13,200 in 2010 to 1,824 in 2011 (-86%). Only two countries, Taiwan, China (1,536) and Vietnam (288) were installing new texturing spindles of this type.

In the segment of double heater draw-texturing spindles (for polyester filament) investments surged from 568,250 texturing spindles in 2010 to 826,500 in 2011, an increase of +45%. This meant also a new all time high of newly shipped double-heater draw-texturing spindles. By far the biggest investor in this type of machinery was China where 624,500 new spindles or 76% of global shipments were installed, followed by distant second India with 90,000 or 11%, Turkey with 20,000 or 2.4%, Japan with 19,750 or 2.4% and Taiwan with 7,500 or 0.9%. p.t.o.

Weaving Machinery

Worldwide shipments of shuttle-less looms continued soaring in 2011 to 153,750 machines, an increase of +44% from last year's record of 107,000. The main reason behind this development is the surge in shipments of water-jet looms. After a skyrocketing jump of +537% to 73,250 in 2010, which was partially due to the fact that more weaving machinery manufacturers reported for the first time in 2010, global deliveries in this shuttle-less loom segment continued soaring by +54% to 113,000 machines in 2011.

In the shuttle-less loom segment of rapier/projectile looms shipments increased from 16,000 in 2010 to 19,250 in 2011, an increase of +20%. Also deliveries of shuttle-less air-jet looms increased from 17,750 in 2010 to 21,500 in 2011 (+21%). As in previous years the main destination of shuttle-less looms was Asia, where 148,500 or 96% of all new shuttle-less looms were installed. Country-wise the biggest global investor was again China with 128,100 looms (83%), of which 106,000 were water-jet looms, 13,900 air-jet looms and 8,250 rapier/projectile looms.

With 9,100 looms (6%) of global shipments India was the second biggest investor, followed by Indonesia with 2,900 (1.9%) and Korea with 2,500 looms (1.6%).

Circular & Flat Knitting Machinery

Global shipments of large circular knitting machines decreased by -16% from 34,500 in 2010 to 28,900 in 2011. Nevertheless, this was still the 3rd highest number of large circular knitting machines ever shipped. Also in this segment Asia was the main regional investor in this type of machinery absorbing 26,400 machines or 91% of all machines shipped in 2011.

The biggest single investor was again China with a total of 21,200 machines (a global market share of 73%) followed by India with 1,500 machines (or 5.2%), Bangladesh with 1,050 machines (or 3.6%) and Turkey with 900 machines (or 3.1%).

In the segment of electronic flat knitting machines, global shipments in 2011 jumped by +37% to 70,000 machines. The bulk of global shipments of electronic flat knitting machines was delivered to Asia (65,250 or 93%), while Europe's (including Turkey) share reached 5.8% (= 4,100 machines). The biggest single investor in 2011 was again China, where 54,800 new machines (78%) were installed, followed by Bangladesh with 4,475 machines (6.4%), Hong Kong with 2,930 machines (4.2%), Turkeywith 2,150 machines (3.1%) and Italy with 1,120 machines (1.6%).

Finishing Machinery

The 2011 edition of ITMF's International Textile Machinery Shipments Statistics included for the seventh time also data on finishing machinery (wovens and knits continuous machinery).

The International Textile Manufacturers Federation (ITMF) is an international Association for the world's textile industries, dedicated to keeping its world-wide membership constantly informed through surveys, studies and publications and through the organization of annual conferences, participating in the evolution of the industry's value chain and publishing considered opinions on future trends and international developments.

Source: ITMF via CNTEX

Cambodian, Chinese firms sign co-op MOUs

DATE: 2012-05-22

Cambodian and Chinese firms on Friday signed a number of memorandums of understanding (MOUs) on business cooperation in the fields of agriculture, mineral resources, food, garment, and electronic products.

Ten MoUs were signed between Chinese companies and a Cambodia's Power Partner Profit Group under the witness of Serei Kosal, Cambodia's senior minister in charge of special mission.

The Chinese firms engaged in the MOUs including Yunnan Yunmanganese Group doing business in mineral exploitation, water resource and electric power, real estate and rubber; Sinsing Rubber; Sichuan Jingong Chuanpai Flavoring; and Gao Shun Settles Down doing business in cassava.

Speaking at the signing ceremony, Lt. Gen. Yim Sawvy, Chief Executive Officer of Cambodia's Power Partner Profit Group, said the 10 MOUs are involved in the business cooperation on natural rubber, rice, cassava, wooden furniture manufacturing, black pepper, mineral resources, electronic projects, industrial equipment products, clothing material, and chicken soup ingredient products.

He said through the MOUs, his group of companies expect to export 60,000 tons of rubber latex, 500,000 tons of rice, 1 million tons of cassava, and 3,500 tons of black pepper to China to supply those Chinese firms.

Vijit Yang, chairman of ASEAN-China Economy and Trade Promotion Association, which coordinated the business cooperation, said that through the MOUs, the bilateral trade and investment between Cambodia and China will be further promoted and the two countries' investors have moved closer.

Meanwhile, Serei Kosal said the cooperation would deepen business relationship and strengthen connection between Cambodia's business people and China's investors.

"Cambodia sees China as a big market for Cambodian products, especially for agricultural ones," he said, "we hope to see more Cambodia's exports to China after the MoUs were signed."

Source: CNTEX

Agreement to grow Chinese cotton in East Sudan

DATE: 2012-05-22

Sudanese Ministry of Agriculture and Chinese Center for transfer of agricultural technologies in Sudan, Al Fao Farmers Council Tuesday agreed to grow genetically engineered Chinese cotton in Al Rahad Agricultural Scheme in the regions of Gadarif and eastern Sudan. The experiment is expected to be generalized in other regions of Sudan.

The Director of Al Rahad Scheme Abdallah Mohamed Ahmed said during the signing ceremony that “the Chinese and Sudanese sides can show the world a model of joint cooperation and can establish strategic agricultural partnership based integrating experience, Chinese technology and Sudan’s potentials during next 50 years.”

He affirmed Sudan’s desire for benefiting from China’s expertise and Sudan’s potentials to bring about speedy integration between the two countries to establish model agricultural relations; in addition to existing strategic relations between them.

For his part, the coordinator of the Chinese Center of Transfer of Agricultural Technologies, Ashmawi Sabir Ali said” “agricultural cooperation between Sudan and China will yield various benefits considering agriculture is Sudan’s key source.”

The program targets training Sudanese technicians and scientists to acquaint them with agricultural technologies to introduce them in agricultural cycling to help increase crops production.

The director of the Center told Xinhua: “the main objective of the Center is to conduct agricultural research on vast lands; in addition to introduction of modern technologies and application of technologies and transferring them to Sudan.”

“Our program also aims to train Sudanese technicians and scientists and acquaint them with agricultural technologies and ways of introducing them in agricultural cycle to help increase production of crops. We will inaugurate the training program this year,” he added.

The director affirmed the Centers desire for developing agricultural technologies in Sudan in such manner leading to increasing production of various crops.

The program of Chinese Center for Transfer of Agricultural Technologies in Sudan is perceived of as one of most important projects for developing agricultural operations in Sudan. The experiment is expected to be generalized in other regions in Sudan, especially those in want of development of modern agricultural technologies.

Earlier in 2009, at end of a first symposium on agricultural cooperation between the two states, the Sudanese and Chinese sides had signed seven memos of understanding in the field of agricultural cooperation.

Source: CNTEX

China seeks to halt manufacturing business outflow

DATE: 2012-05-21

CHANGSA--China is now losing an increasing number of export orders to other emerging countries because of rising costs at home. That's driving the government to consider supportive measures including tax rebates and reduced transportation fees, a commerce official said Saturday during an investment and trade expo held in Changsha, Hunan province.

“Rising costs of labour and land as well as enhanced environment protection criteria has reduced the competitive edge of Chinese exporters,” said Wang Shouwen, director of the department of foreign trade at the Ministry of Commerce.

Chinese labor-intensive exports, including textile, apparel and light industrial products, increased rapidly in such traditional markets as the U.S., the EU and Japan before 2010. But the first four months of 2012 saw China's textile and apparel exports to Japan expand only slightly, by about 7 percent year-on-year, while Japanese imports from other emerging countries surged by more than 40 percent in the same period, Wang said.

“Overseas buyers' strategy, called 'China plus one', also contributed to the shifting away of Chinese exporting order. China remained the main supplier for overseas buyers but one alternative procurement source in other emerging countries is established to compare the cost with China.

“Further rising costs at home will drive buyers to rely more and more on their plus-one countries,” the director said.

China's exports in the first four months edged up by 6.9 percent from the previous year, 20.5 percent lower than the growth in the first four months of 2011. Trade from January to April slightly increased by 6 percent while the country set a 10-percent goal of trade growth in 2012, according to Deputy Commerce Minister Wang Chao.

The trade outlook is not optimistic owing to sluggish overseas demands and increased trade frictions as well as rising costs at home, Wang said. “In the first four months, about 20 percent of the clothes orders were pulled away to the neighboring countries such as Vietnam and India,” said Jin Shulin, a trade manager of Shanghai Textile Decoration Co. Ltd.

“Overseas apparel buyers are now buying cloth or lining from China and manufacturing apparel in Vietnam instead of ordering apparel from Chinese exporters because the labour cost is at least 5 percent lower than China in addition to free customs duty to the U.S. market,” Jin said.

The urgent exporting situation drove the ministry to urge exporting manufacturers to move to the central and western regions while upgrading industries in the coastal cities with more investment in research and development for higher added value, Wang said.

The central and western regions accounted for 9.9 percent of China's trade in 2010, compared with 90.1 percent in the 10 coastal provinces and cities, according to the ministry.

“If we combine the advantages, well-developed industrial chains in the east and low land and labour costs in the central and western region, we can still keep export orders in China,” Wang aid.

However, high logistic costs and heavy transportation fees have held back coastal exporters from moving their manufacturing bases to the central and western regions, according to Wang Zhonghong, a researcher from the Development Research centre in the State Council.

“The ministry will introduce policy adjustments in the next step, including tax rebates and rearrangement of the Canton Fair booths to support exporting manufacturing in the central and western regions. The upcoming logistics conference will reduce transportation fees and lower the exporters' costs,” Wang Shouwen said.

Source: China Post via CNTEX

Global yarn & fabric output increases in Q4/2011

DATE: 2012-05-21

International Textile Manufacturers Federation (ITMF) released state of trade report Q4/2011. Output of global yarn production increased in Q4/2011 as a result of higher output in Asia – especially in China – and Europe and in spite lower production in North and South America. Also year-on-year global yarn production was up due to higher output in Asia and in spite of lower output in Europe, South and North America. Global fabric production rose in the 4th quarter with Asia and Europe recording higher output, while North and South America registered a reduction.

Compared to last year's 4th quarter global fabric output decreased with all regions suffering declines. Global yarn stocks were slightly higher in Q4/2011 compared with the previous one which was especially due to higher stocks in Europe and South America, while stocks in Asia fell. Year-on-year global yarn inventories increased as a result of higher stocks in all regions. In comparison to the previous quarter fabric stocks were up in Europe and South America in the 4th quarter, but down in Asia and North America.

On an annual basis fabric stocks soared in South America with weaker increases recorded in North America and Asia, whereas stocks decreased slightly in Europe. Yarn and fabric orders fell in Q4/2011 in Brazil both compared to the previous and last year's quarter. Europe's yarn order increased in comparison to the previous quarter but fell on a yearly basis. Fabric orders on the other hand fell slightly compared to the previous one and also year-on-year.

The estimates for global yarn and fabric production in the 1st quarter of 2012 compared to the last quarter of 2011 are negative. As far as yarn production is concerned this is mainly due to lower output in Asia in general and China in particular, whereas output is estimated to increase in North and South America with Europe remaining unchanged.

In global fabric production both Asia and Europe are expecting lower output in the first quarter, whereas South America is estimating an increased production level. The general outlook for the 2nd quarter 2012 is positive both for global yarn and fabric production.

In comparison with the previous quarter, world yarn production increased in Q4/2011 by +6.5%. While North and South America recorded a drop of -16.4% and -1.5%, respectively, Europe and Asia recorded increases of +14.7% and +7.0%, respectively. Year-on-year global yarn production rose by +8.5% due to higher output in Asia (+9.8%), and despite lower output levels in North America (-20.4%), Europe (-1.4%) and South America (-0.4%).

Compared with the previous quarter global fabric production increased in Q4/2011 by +0.7%. Fabric production rose in Europe and Asia by +9.0% and +1.9%, respectively, but fell in South and North America by -18.2% and -8.3%, respectively. In comparison to last year's 4th quarter global fabric production was down by -1.8%. In all regions production was down, in South America by -7.5%, in North America by -2.2%, in Europe by -1.9% and in Asia by -1.3%.

Yarn inventories rose only slightly worldwide by +0.4% in Q4/2011 compared to the previous one. In South America and Europe they were up by +1.0% and +0.4%, respectively, but fell in Asia by -1.3%. On an annual basis global yarn stocks increases by +4.8%. In South America yarn inventories jumped by +24.7%, in Asia by +4.5% and in Europe by +0.7%.

Global fabric inventories rose in Q4/2011 by +1.5% as compared to the previous one. In South America they rose by +6.7% and in Europe by +0.1%, while they decreased slightly in Asia by -0.6% and in North America by -0.5%. Year-on-year, global fabric inventories increased by +16.1%. In South America they soared by +75.0% and also rose by +9.0% in North America, and by +2.4% in Asia, but were reduced in Europe by -0.6%.

Yarn and fabric orders in Brazil dropped by -3.6% and -18.2%, respectively, in Q4/2011 compared to the previous one. Also year-on-year yarn and fabric orders in Brazil plummeted by -28.3% and -19.4%, respectively. In Europe yarn orders were up by +0.6% in the 4th quarter compared to previous one but down on an annual basis by -0.7%. Fabric orders in Europe fell by -0.5% in comparison to the previous quarter and also by -0.5% year-on-year.

Source: ITMF via CNTEX