



INTERNATIONAL TEXTILE MANUFACTURERS FEDERATION
FEDERATION INTERNATIONALE DES INDUSTRIES TEXTILES
INTERNATIONALE VEREINIGUNG DER TEXTILINDUSTRIE

Press Release

STATE OF TRADE REPORT Q1 / 2008

Drop of Global Yarn and Fabric Production

Falling Yarn and Fabric Stocks

The 1st quarter in 2008 saw a significant slowdown of global textile production compared to the last quarter of 2007. Yarn output fell in all regions except in North America, while fabric production fell in Asia and Europe and increased in North and South America. Yarn and fabric stocks continued their downward trend also in the 1st quarter of 2008, reaching the lowest level since more than three years in the case of yarn and since two years in the case of fabric inventories. Yarn and fabric orders were lower in Europe but higher in Brazil.

On a global scale yarn production dropped in the 1st quarter by -11.4% as a result of lower yarn production in all world regions: Asia (-13.0%), South America (-2.9%) and Europe (-1.8%) – with the exception of North America where a jump of +8.2% was recorded. On an annual basis world yarn production was still up by +5.3%: production in Asia and North America being up by +7.1% and +3.9%, respectively, and in Europe and South America being down by -10.6% and -5.7%, respectively.

In comparison to the previous quarter world fabric production fell by -4.8% owing to the fact that Asia and Europe experienced lower fabric output (-6.2% and -0.9%, respectively), which could not be offset by higher output levels in North and South America (+5.2% and +4.9%, respectively). Year-on-year world fabric production was still slightly higher (+2.2%) as a consequence of Asia's and South America's production being up by +3.9% and +3.8%, respectively, and despite lower production in North America and Europe (-12.2% and -2.5%, respectively).

Global yarn inventories decreased slightly by -0.6% compared to the 4th quarter 2007 with all regions contributing to this reduction (South America -5.5%, Europe -0.7% and Asia -0.1%). In comparison to the 1st quarter of 2007 global stocks were significantly lower (-10.9%) with South America and Asia recording significant drops of -33.4% and -15.6%, respectively whereas Europe stocks jumped by +17.7%.

Because of lower inventories in South America (-11.1%), North America (-10.8%) and Asia (-0.1%) and despite a slight increase in Europe (+0.7%) global fabric inventories were reduced by -1.9% in the 1st quarter of 2008. Year-on-year fabric inventories dropped world wide by -29.3% with all regions experiencing decreases: Asia (-35.7%), North America (-13.2%), South America (-6.7%) and Europe (-1.9%).

In the 1st quarter of 2008 yarn and fabric orders were lower in Europe (-0.3% and -1.6%, respectively). On an annual basis yarn orders fell by -1.6%, whereas fabric orders rose by +1.2%. In Brazil yarn and fabric orders increased in the 1st quarter 2008 compared to the previous one by +5.0% and +15.9%, respectively. Compared to the 1st quarter 2007, yarn and fabric orders in Brazil increased by +14.8% and +9.7%, respectively.

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