



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

Press Release - State of Trade Report 3Q 2008

Fall of Global Yarn and Fabric Production

Higher Global Yarn but Lower Fabric Inventories

The 3rd quarter in 2008 was marked by a fall of global textile production in comparison to the previous quarter. Global yarn output shrunk as a consequence of lower output in Asia, Europe and North America which could not be offset by a considerable higher yarn output in South America. Global fabric production on the other hand was lower with Asia's, Europe's and North America's production being down. Only South America recorded an increase. Global yarn stocks rose slightly in the 3rd quarter while the reduction of fabric inventories continued. During the same period yarn and fabric orders in Europe decreased. In Brazil yarn orders remained unchanged while fabric orders went up strongly.

On a global scale yarn production was 2.8% lower in the 3rd quarter compared to the previous one mainly as a result of lower yarn production in Asia (-2.6%), Europe (-3.6%) and North America (-21.4%). Only South America recorded an increase of +12.9%. On an annual basis, world yarn production was up by +4.6% with Asia's and South America's production reaching +6.2% and +33.9%, respectively, while Europe's and North America's output fell by -14.8% and -27.2%, respectively.

In comparison to the previous quarter, world fabric production fell in the 3rd quarter by -1.7% due to lower output levels in Asia, Europe and North America (-1.6%, -4.4% and -5.4%, respectively). South America's fabric production increased during this period by +2.4%. Year-on-year world fabric production dropped by -4.3%. Europe, Asia and North America experienced significant lower output levels (-2.5%, -5.2% and -27.8%, respectively), whereas South America's soared by +15.6%.

Global yarn inventories rose slightly by +0.3% compared to the 2nd quarter. In Asia yarn stocks were higher (+0.6%), Europe reported lower ones (-0.6%) and those in North and South America remained at the same levels. On an annual basis global yarn stocks in the 3rd quarter increased by +2.4% with Asia, Europe and South America recording rises of +0.4%, +5.7% and +24.3%, respectively.

Global fabric stocks dropped in the 3rd quarter by -11.8% as a result of lower inventories in Asia (-20.2%) and Europe (-0.7%) despite an increase in North America (+3.9%) and with South America's fabric inventories unchanged. Year-on-year fabric inventories fell worldwide by -35.2% with all regions reporting decreases: Asia -48.4%, South America -12.4%, North America -11.0% and Europe -2.0%.

Yarn orders fell in the 3rd quarter in Europe by -0.6% and were stable in Brazil but fell on an annual basis by -1.6% and -6.8%, respectively. Fabric orders in Europe came down by -0.6% but rose by +2.4% in Brazil. In comparison to the 3rd quarter of 2007 they decreased in Europe by -1.0% but soared in Brazil by +9.3%.

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