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Global Yarn and Fabric Output up in Q3/2014

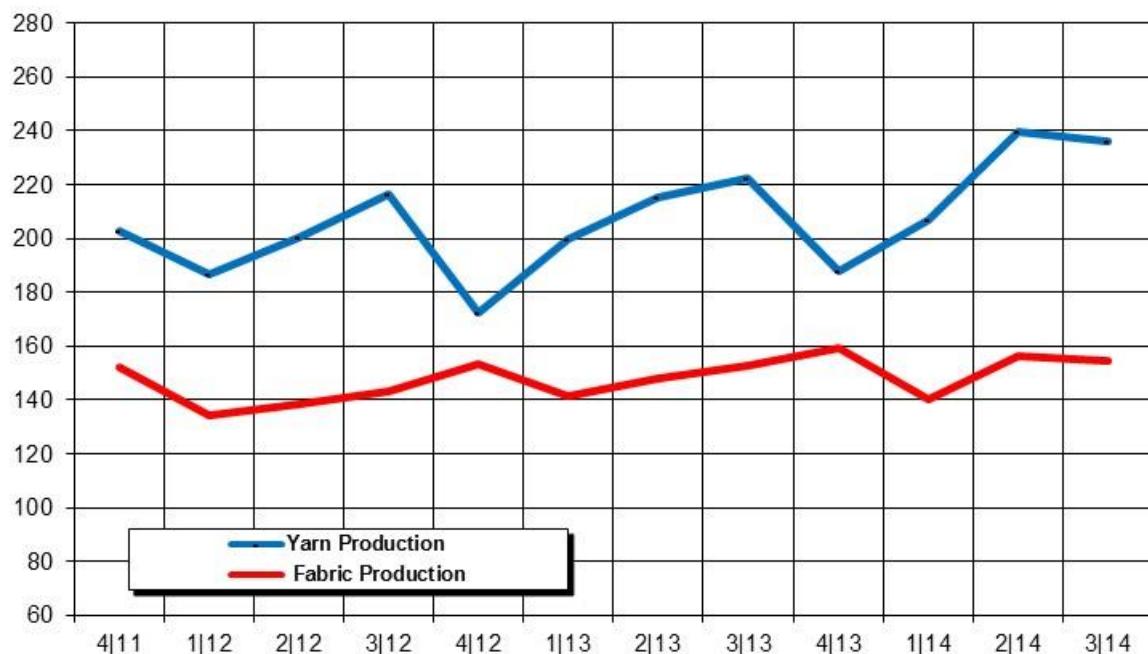
Global Yarn Output: Estimates (Q4/2014) are negative, Outlook (Q1/2015) unchanged
Global Fabric Output: Estimates (Q4/2014) are positive, Outlook (Q1/2015) unchanged

Global **yarn production** decreased in Q3/2014 compared to the previous quarter due to lower output in Asia and Europe. During the same period, the yarn production in North America increased moderately, while in South America it recorded a strong rise. On an annual basis, the global yarn production rose and was supported by a strong increase in Asia. In Europe, North and South America, in contrast, yarn output fell year-on-year. Worldwide **yarn stocks** rose in Q3/2014 in comparison to Q2/2014. Thereby, yarn stocks in Asia and South America were increased, while they were reduced in Europe. Year-on-year, global yarn stocks increased due to higher inventories in Asia, while stocks in Europe and South America were reduced. **Yarn orders** in Brazil showed a strong quarter-on-quarter growth in Q3/2014 and a more moderate rise in Europe. Also, year-on-year Brazilian orders rose, while Europe saw a modest decline.

Global **fabric production** fell in Q3/2014 compared to the previous quarter with all regions showing declines. However, on an annual basis world fabric production improved. Thereby, output in Asia and Europe increased, while it fell in South America. World **fabric stocks** in Q3/2014 were increased quarter-on-quarter with all regions supporting this development. Year-on-year, the picture was mixed with increases in Asia and North America and decreases in Europe and South America. Overall, global fabric inventories fell annually. **Fabric orders** in Q3/2014 fell in Europe and rose in Brazil quarter-on-quarter as well as year-on-year.

World Production Yarns & Fabrics

Index: Avr. Q1-Q4 2003 = 100



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Estimates for yarn production for Q4/2014 are positive in Asia and Europe, while in North and South America they are negative. **Estimates for fabric production** for Q4/2014 are positive in Asia and Europe. However, in South America they are negative.

The **outlook for yarn production** for Q1/2015 is positive in Europe and unchanged in Asia. The same pattern applies to the **outlook for fabric production**. For Q1/2015 it is positive in Europe and unchanged in Asia.

In Q3/2014, global **yarn production** fell by 1.3% quarter-on-quarter. Thereby, output in Asia and Europe decreased by 1.4% and 5.7% respectively. In North and South America yarn output climbed by 1.1% and 5.7% in Q3/2014 compared to Q2/2014. In comparison to Q3/2013 worldwide yarn production witnessed a rise of 6.3%. This was supported by an increase of 7.3% in output in Asia, whereas the other regions saw declines of 3.1% annually in Europe, 2.4% in North America and 12.3% in South America.

Global **fabric production** fell by 1.3% in Q3/2014 compared to the previous quarter. The strongest decline was recorded in South America with 8.3% followed by Europe with 7.6%. In Asia fabric output fell moderately by 0.4%. In contrast, global fabric output increased by 1.3% year-on-year supported by rises in Asia (2%) and Europe (2.9%). In South America, however, fabric production fell by 11.4% annually.

Global **yarn inventories** rose by 0.9% in Q3/2014 quarter-on-quarter. Thereby, Asian inventories remained nearly unchanged (+0.3%), while they decreased by 3.6% in Europe. Yarn stocks in South America were increased by 7.8%. On an annual basis, global yarn inventories rose by 3.7% due to a strong increase in Asia (5.5%). In Europe and South America yarn stocks were reduced by 2.1% and 11.2% respectively.

Worldwide **fabric stocks** in Q3/2014 were increased by 1.4% compared to the previous quarter with all regions contributing positively. Stocks in Europe rose the strongest by 4.8%, followed by gains of 4% in South America, 0.4% in North America and 0.2% in Asia. In contrast, global fabric inventories in Q3/2014 were reduced by 1.9% year-on-year. While fabric stocks were raised by 0.8% in Asia and 1.8% in North America, they fell by 0.7% and 9.8% in Europe and in South America respectively.

In Q3/2014 **yarn orders** in Brazil were up by 5.7% quarter-on-quarter and by 0.5% Europe. On an annual basis yarn orders increased in Brazil by 12.5% and fell in Europe by 0.3%. **Fabric orders** in Q3/2014 rose by 5.7% in Brazil compared to the previous quarter, while they fell by 3.4% in Europe. Year-on-year, Brazilian fabric orders climbed by 12% whereas in Europe they declined by 3.6%.

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