



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

Press Release - State of Trade Report 3Q 2007

Higher Global Yarn and Fabric Production Chinese Production Data Included for the First Time

With the current edition the ITMF State of Trade Report incorporates for the first time Chinese yarn and fabric production data. With China being by far the largest producer of textiles in the world, this constitutes a major improvement of the quality of the report.

The 3rd quarter of 2007 showed global yarn production increases due to a higher output recorded in Asia, whereas Europe, South and North America recorded lower output levels. World fabric production remained almost unchanged with higher production registered in Asia and North America but lower output in Europe and South America. Yarn stocks on a global level rose slightly despite a significant reduction in South America. Inventories of fabrics fell by a large margin, mainly as a result of lower stocks in Asia and South America. In Europe, yarn and fabric orders fell. Brazil, on the other hand, registered lower yarn but higher fabric orders.

Global yarn production in the 3rd quarter of 2007 augmented by +0.6% driven by higher production in Asia (+1.3%). Output in North America, Europe and Asia fell in the same period by -4.1%, -5.2% and -5.9%, respectively. On an annual basis, total yarn production rose by +8.7% due to a significant increase in Asia (+11.1%) and a small increase in Europe (+0.3%). South and North America, on the other hand, recorded significant lower outputs (-21.5% and -8.3%, respectively).

After a higher output level in the 2nd quarter, the 3rd quarter of 2007 also showed a small increase of +0.2% in global fabric production. Higher fabric production in Asia (+1.8%) and North America (+1.3%) were almost offset by decreases in Europe (-6.6%) and South America (-10.9%). Year-on-year global fabric production jumped by +8.8% due to a significant higher output level in Asia (+13.3%) and despite reductions in Europe, North and South America (-1.1%, -11.7% and -15.7%, respectively).

Being up by +1.1%, global yarn stock levels reached the highest level in the past three years. The significant drop of yarn stocks in South America (-26.6%) was more than compensated by increases in Asia and Europe (+4.0% and +2.4%, respectively). In comparison to the 3rd quarter of 2006, global yarn inventories were up by +10.9%, with Europe and Asia recording higher levels (+13.2% and +21.6%, respectively) while South America yarn stocks, on the other hand, dropped by -40.0%.

World fabric inventories in the 3rd quarter of 2007 were down by -16.0%. South America and Asia reported lower stocks (-12.2% and -21.1%, respectively); North America and Europe higher ones (+1.5% and +2.2%, respectively). Year-on-year global fabric stocks fell by -31.0% with Asia, North and South America recording drops of -39.5%, -9.5% and -5.2%, respectively. Only fabric stocks in Europe were up by +2.2%.

The level of yarn orders both in Europe and Brazil fell by -3.2% and -2.9%, respectively, compared to the 2nd quarter of 2007. On an annual basis, yarn orders dropped in Europe and Brazil by -1.5% and -17.8%, respectively. Fabric orders in Europe decreased by -3.5% but rose in Brazil by +3.2%. In comparison to the respective quarter in 2006, Europe's fabric orders were down by -3.0% while Brazil's were down by -7.7%.

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