



INTERNATIONAL TEXTILE MANUFACTURERS FEDERATION
FEDERATION INTERNATIONALE DES INDUSTRIES TEXTILES
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PRESS RELEASE - STATE OF TRADE REPORT Q2 / 2009

Rebound in Global Textile Production

Global Yarn and Fabric Stocks with Long-term Lows

In the 2nd quarter of 2009 global textile production experienced an impressive rebound. Both global yarn and fabric production surged driven by Asia in general and China in particular. Global yarn and fabric stocks continued to fall slightly both reaching long-term lows. Yarn orders were up in Europe though from a low level, while Brazil's saw a significant jump. The continuous downward trend since 2007 in fabric orders in Europe was stopped and slightly reversed. Brazil's fabric orders on the other hand decreased slightly.

World yarn production jumped in the 2nd quarter by +22.4% as compared to the previous quarter after having fallen continuously since the 2nd quarter 2007. All regions recorded increases, especially South America with +44.9% followed by Asia with +23.3%, Europe with +2.2% and North America with +1.5%. In comparison to last year's quarter only South America and Asia saw increases (+1.9% and +1.0%, respectively), while yarn production in North America and Europe were still considerably below last year's levels (-25.2% and -15.3%, respectively).

Fabric production also soared worldwide by +14.4% in the 2nd quarter of 2009 in comparison to the previous one. Unlike global yarn production global fabric production increased only in Asia (+16.7%) and North America (+7.8%) and fell slightly in Europe (-0.4%) and South America (-0.6%). Year-on-year global fabric production was up by +3.2% due to higher outputs in Asia (+6.7%), while North America, Europe and South America still recorded lower production levels of -22.5, -18.8 and -3.1%, respectively.

Global yarn inventories were down by -3.0% in the 2nd quarter of 2009 as compared to the previous one. Yarn stocks plummeted in South America by -15.3% and decreased in Asia by -3.4% but remained stable in Europe and North America. On an annual basis yarn stocks were down by -1.3% globally, with South America and Asia seeing a reduction of -6.1% and -1.7%. Europe saw a marginal increase of +0.7%.

The level of fabric inventories fell worldwide by -4.5%, thus recording the lowest in years. All regions contributed to this reduction: South America -6.9%, North America -5.1%, Asia -4.9% and Europe -1.5%. In comparison to last year's 2nd quarter, inventories dropped by -14.3% on a global scale. This was a result of lower stocks in all regions with Asia recording a fall of -21.0%, North America of -8.0%, South America of -6.9% and Europe of -1.3%.

In the 2nd quarter 2009 yarn order rose slightly in Europe by +2.4% and strongly in Brazil by +12.0%. On an annual basis yarn orders were still considerably down by -10.4% in Europe but jumped by +25.3% in Brazil. Fabric orders increased in Europe in comparison to the previous quarter by +1,6% and decreased slightly by -0.8% in Brazil. Year-on-year fabric orders plummeted by in Europe by -14.6% and in Brazil by -3.1%.

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