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Fall in Global Yarn and Fabric Production Brazil with a Strong Recovery

The strong global recovery in yarn and fabric production that could be observed since their recent lows in the 1st quarter in 2009 came to an end in the 1st quarter of 2010. Both yarn and fabric production dropped significantly compared to the 4th quarter of 2009 though levels were still considerable higher as compared to the first quarter of 2009. Yarn and fabric production fell especially in Asia but also in Europe, whereas South and North America recorded stable or higher output levels in comparison to the previous quarter. Global yarn stocks fell slightly mainly due to lower inventories in South America while those in the other regions remained almost unchanged. Global fabric stocks increased as a consequence of higher inventories in Asia, South America and a modest increase in Europe. Yarn orders increased in South America but remained unchanged in Europe. Fabric orders rose in Europe and jumped in South America.

World yarn production dropped by -12.8% in the 1st quarter of 2010 in comparison to the previous one. This is a significant drop which is mainly a consequence of a lower output level in China (-17.3%). Europe recorded also a decrease of -4.0%, whereas North and South America's production rose by +5.1% and +17.4%, respectively. In comparison to last year's quarter all regions still recorded higher output levels. With a surge of +60.4%, especially South America's yarn production surged impressively. But also Europe (+20.1%), Asia (+14.6%) and North America (+1.5%) experienced higher output levels.

Worldwide fabric production decreased by -9.7% in the 1st quarter of 2010. Both Asia and Europe recorded lower output levels of -11.4% and -3.6%, respectively. The main factor for this drop is China where fabric production fell by -16.4%. North and South America on the other hand reported stable and higher output levels of +/-0% and +5.3%, respectively. Nevertheless, global fabric production increased year-on-year by +8.3%. Only North America's fabric production declined during this period by -9.2%, whereas the other regions recorded higher output levels. Fabric production in Europe was up by +20.3%, Asia's by +8.3% and South America's by +2.4%.

World yarn inventories fell slightly in the 1st quarter of 2010 by -0.8%. In South America they were reduced by -4.8%, in Europe by -0.9% and in Asia by -0.6%. On an annual basis world yarn stocks were down by -7.7% as inventories dropped in South America by -31.4%, in Asia by -8.1% and in Europe by -4.7%.

Fabric stocks were up by +3.3% globally in the 1st quarter of 2010 with Asia, South America and Europe recording increases of +4.4%, +4.0% and +0.8%, respectively. Only in North America fabric stocks fell by -0.6%. In comparison to last year's 1st quarter global fabric inventories skyrocketed in South America and Asia by +36.0% and +11.7%, respectively. Fabric stocks in North America and Europe on the other hand fell -15.2% and -1.3%, respectively.

In Europe yarn orders remained unchanged in the 1st quarter whereas fabric orders rose slightly by +1.5%. Brazil's yarn orders were up by a good +7.2% while fabric orders jumped by an impressive +37.3%. On an annual basis yarn orders in Europe and Brazil were up by +15.5% and +25.3%, respectively. Also fabric orders grew both in Brazil and Europe by +9.5% and +18.1%, respectively.

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