

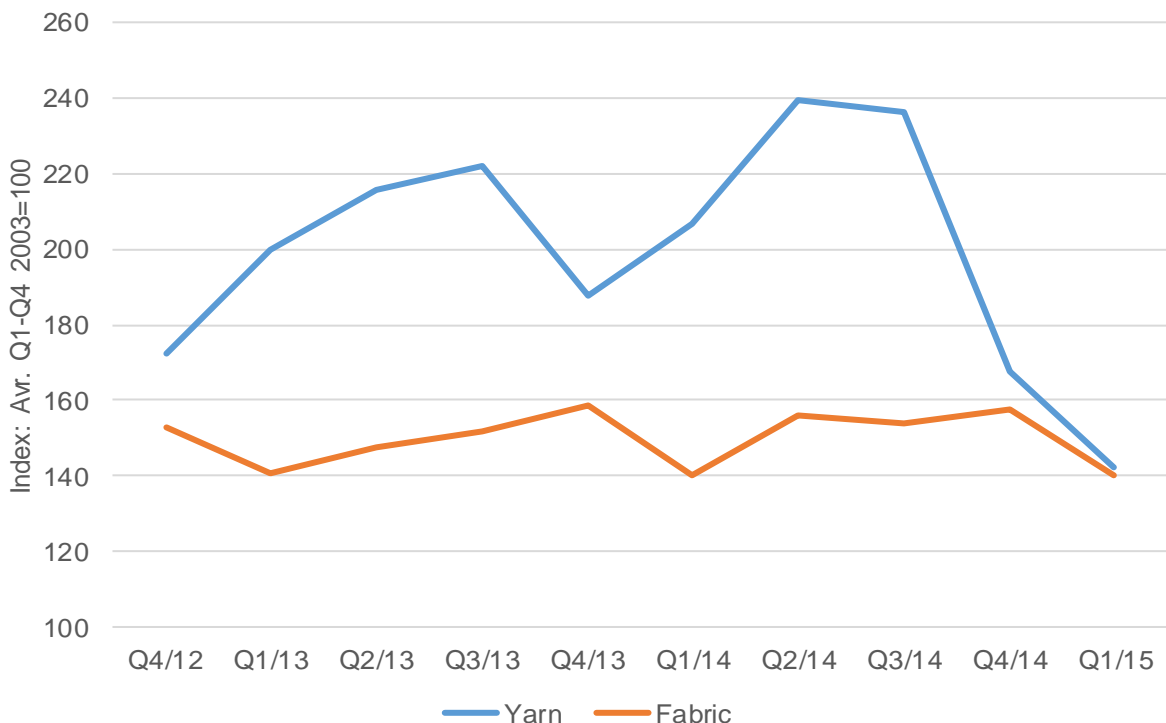
Global Yarn and Fabric Output up in Q1/2015

Positive Estimates (Q2/2015) and Outlook (Q3/2015) for Global Yarn and Fabric Output

Global **yarn production** fell in Q1/2015 compared to the previous quarter. Thereby, yarn output in Asia and in Europe fell, while it increased in North America. On an annual basis, the global yarn production decreased the second quarter in a row. Declines were strongest in Asia and Europe, while North America saw a modest increase. Worldwide **yarn stocks** rose in Q1/2015 in comparison to Q4/2014. Thereby, yarn stocks in Asia were increased, while European stocks were reduced. Year-on-year, global yarn stocks increased. **Yarn orders** in Europe decreased in Q1/2015 compared to the previous quarter and also on a year-on-year basis.

Global **fabric production** fell in Q1/2015 compared to the previous quarter. Thereby, fabric output fell strongest in Asia and in Europe. It has to be pointed out that Asia's production is usually significantly lower in the first quarter compared to the fourth quarter of the previous year. The reason for that is that due to Chinese New Year holidays, which traditionally are around the end of January, China has less working days in the first quarter than during the rest of the year. Compared to Q1/2014 the global fabric production remained unchanged. While Asia's fabric output climbed, European output fell. World **fabric stocks** were increased quarter-on-quarter in Q1/2015 due to a strong rise of European stocks. Stocks in Asia and North America were increased moderately. Year-on-year, the picture was mixed with increases in Asia and North America and decreases in Europe. Overall, global fabric inventories rose annually. **Fabric orders** in Q4/2014 showed a strong increase in Europe.

World production of yarn and fabrics



Estimates for yarn production for Q2/2015 are positive in Asia and in Europe. The same pattern applies to the **estimates for the fabric production** for Q2/2015.

The **outlook for yarn and fabric production** for Q3/2015 is positive for Asia. For Europe the outlook hints at an unchanged development of output.

In Q1/2015, global **yarn production** fell by 15% quarter-on-quarter after a decline of 29% in Q4/2014. The reason for the strong decline were exceptionally weak figures from Asia. Asian yarn production fell by 16% quarter-on-quarter. Output in Europe declined by nearly 10%, while in North America it rose by 4.4%. In comparison to Q1/2014 worldwide yarn production fell by nearly 31%. Thereby, in Asia output fell by 33%. In Europe, yarn output decreased by 13%, while it climbed moderately by 1% in North America.

Global **fabric production** decreased by 11% in Q1/2015 compared to the previous quarter. Strong declines of 12% and 5% were recorded in Asia and Europe respectively. Year-on-year, global fabric output remained unchanged. Thereby, Asian production climbed by 1.5%, while European output fell by 7.8%.

Global **yarn inventories** were increased by nearly 4% in Q1/2015 quarter-on-quarter. Thereby, European inventories fell by 3.6%. On an annual basis, global yarn inventories fell by 3.6% due to a strong reduction in Europe (5%). In Asia yarn stocks rose by 5%.

Worldwide **fabric stocks** rose by 0.3% in Q1/2015 compared to Q4/2014. Stocks in Asia, Europe, and North America were increased by 0.3%, 2.2%, and 0.4% respectively. Global fabric inventories in Q1/2015 climbed by 0.5% year-on-year. While fabric stocks were increased by 0.8% in Asia and 0.7% in North America, they fell by 0.9% in Europe.

In Q1/2015, European **yarn orders** fell by 2.4% quarter-on-quarter and by 5% year-on-year. European **fabric orders** in Q1/2015 climbed by 2.9% quarter-on-quarter and by 0.2% year-on-year.

July 2015