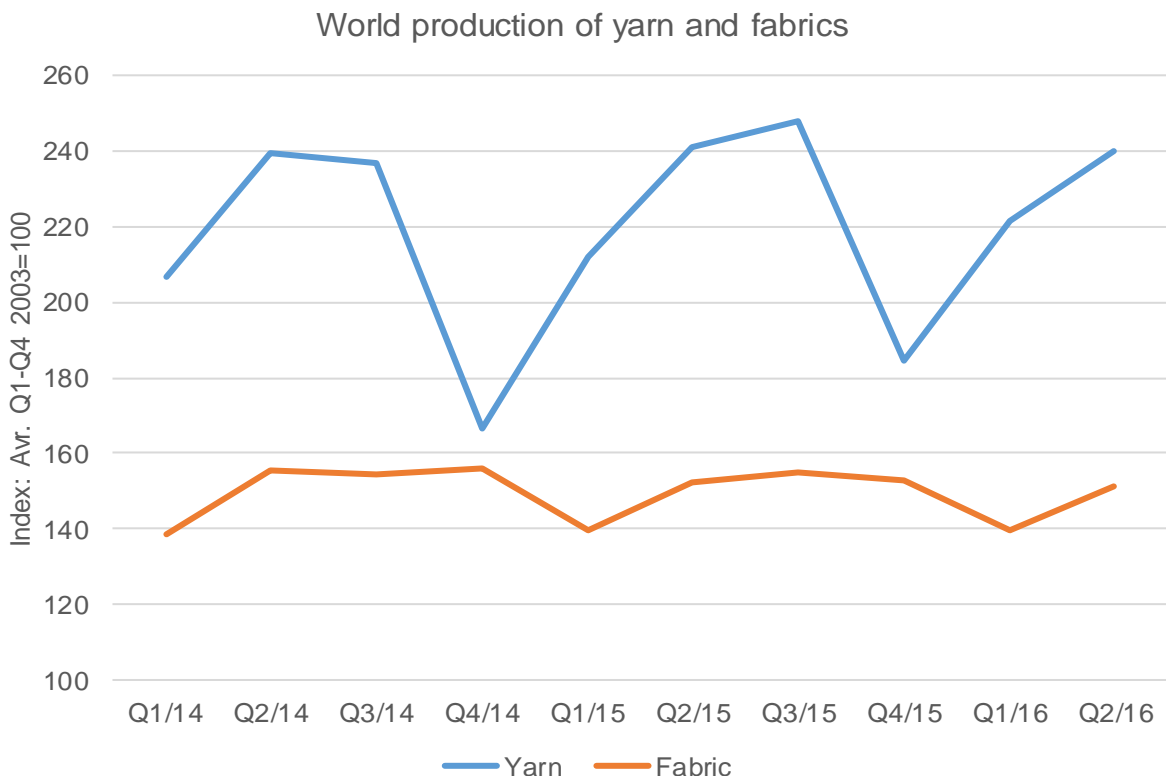


## Global yarn and fabric output up in Q2/2016

**Estimates and outlook for global yarn and fabric output for Q3 and Q4/2016 are negative.**

The global **yarn production** increased in Q2/2016 quarter-on-quarter. Thereby, output in Asia, Europe and South America rose. On an annual basis, the global yarn production in Q2/2016 fell versus Q2/2015. Global yarn stocks fell in Q2/2016 quarter-on-quarter. Yarn stocks were reduced in Asia. In South America they increased. Year-on-year, global yarn stocks declined. **Yarn orders** in Europe fell quarter-on-quarter as well as year-on-year. In South America yarn orders improved quarter-on-quarter and year-on-year.

Global **fabric production** increased in Q2/2016 against Q1/2016 due to strong increases in Asia and South America. In contrast, Europe's fabric production decreased. Global fabric output fell moderately year-on-year in Q2/2016. Thereby, Asian output declined annually albeit moderately. In Europe output increased year-on-year, while it fell in South America. In Q2/2016, worldwide **fabric stocks** fell quarter-on-quarter. Fabric inventories were reduced in Asia and South America. Year-on-year, fabric stocks declined. European **fabric orders** decreased quarter-on-quarter and year-on-year. In South America fabric orders rose on a quarterly basis. On an yearly basis, in contrast, South America's fabric orders declined.



## Estimates signal a decline of global yarn and fabric production for Q3/2016.

The **global outlook for yarn and fabric production** signals a further reduction for Q4/2016.

In Q2/2016, global **yarn production** increased by 8.5% quarter-on-quarter. Thereby, Asian yarn output strengthened by nearly 9% quarter-on-quarter and by close to 12% in South America. In Europe it grew moderately by 0.3%. Global yarn output fell moderately by 0.2% in Q2/2016 versus Q2/2015. In Asia, yarn output fell moderately by 0.1% year-on-year. A strong decrease occurred in North America, where yarn production fell by over 12% annually. European and South American yarn output recorded annual growth rates of 2% and 3%, respectively.

Global **fabric production** increased by over 8% in Q2/2016 against the previous quarter. While Asian and South American output grew by 9% each, European fabric production fell by 1% quarter-on-quarter. Year-on-year, global fabric output declined in Q2/2016 by 0.7%. Thereby, Asian production fell moderately by 0.2%. South America's output fell by nearly 16%. Europe's fabric output rose by over 4% year-on-year.

Global **yarn inventories** decreased in Q2/2016 by 6.7% quarter-on-quarter with reductions of 8% in Asia. In contrast, in South America inventories rose by over 3%. In Q2/2016, the annual percentage change of global yarn inventories recorded a decrease of 6%. Thereby, European yarn stocks increased by 9% year-on-year and in South America stocks rose by 10.5%. Asian yarn stocks, however, fell by 8% annually.

Worldwide **fabric stocks** fell by 1.4% quarter-on-quarter in Q2/2016. Thereby stocks in Asia were reduced moderately by 0.2%. In South America they were reduced by 4.7%. On a yearly basis, global fabric inventories in Q2/2016 decreased by 6%. Asia's fabric stocks decreased by 0.8% annually and South America's inventories fell by nearly 18%.

In Q2/2016, European **yarn orders** fell by 2.6% quarter-on-quarter and by 2.9% year-on-year. In South America they increased significantly by over 11% quarter-on-quarter and by over 87% year-on-year. European **fabric orders** in Q2/2016 fell by 0.2% quarter-on-quarter and by 4% year-on-year. South American fabric orders in Q2/2016 increased by nearly 20% quarter-on-quarter and fell by 11% year-on-year.

October 2016