

Global fabric output declined in Q1/2017, while global yarn production improved

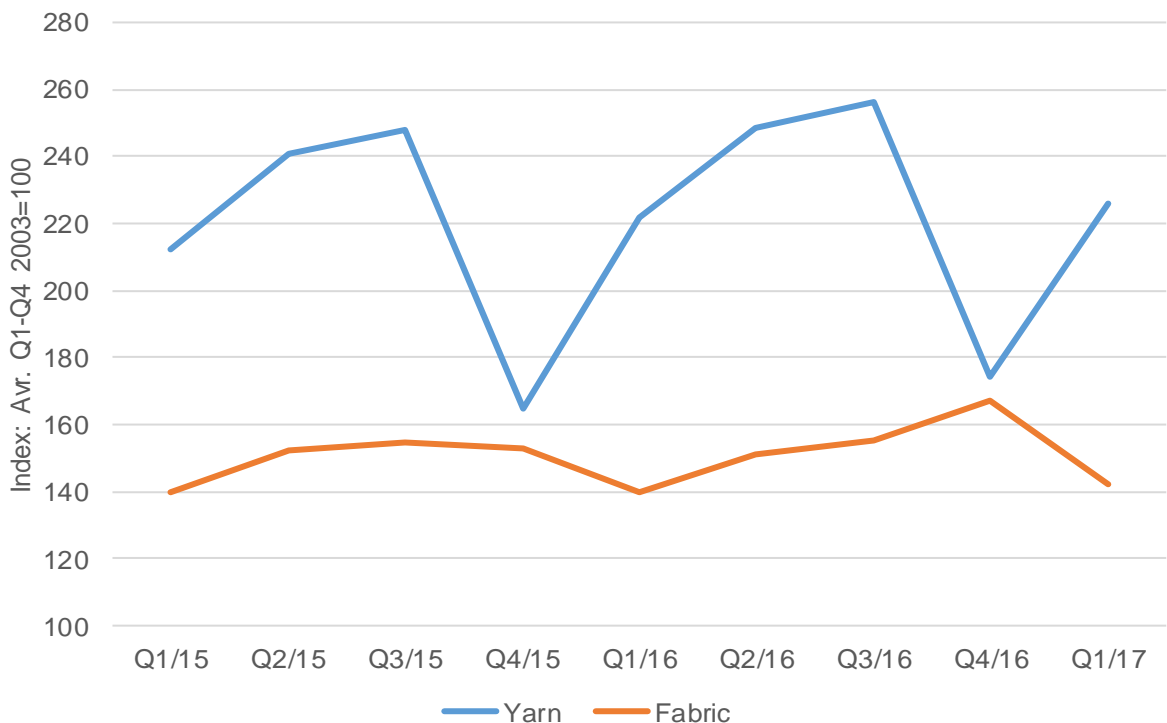
Global fabric output is expected to stay stable in Q2/2017 and then to improve in Q3/2017.

Global yarn production should keep the same trend as fabric output in both Q2/2017 and Q3/2017.

The global **yarn production** improved in Q1/2017 quarter-on-quarter. Thereby, output in Asia, North America and South America improved, and it declined slightly in Europe. On an annual basis, the global yarn production in Q1/2017 increased versus Q1/2016. Global **yarn stocks** declined in Q1/2017 quarter-on-quarter with the most significant decline in South America. Also year-on-year, global yarn stocks fell slightly. Quarter-on-quarter **yarn orders** in Europe increased, while in South America they decreased. Compared to the same quarter a year ago, yarn orders also decreased in South America and increased in Europe.

Global **fabric production** declined in Q1/2016 against Q4/2016 due to decreases in Asia, South America and in Europe. Global fabric output improved year-on-year in Q1/2017 despite a decrease in Europe. In Q1/2017, worldwide **fabric stocks** fell quarter-on-quarter, with the most significant change in South America. Year-on-year, fabric stocks declined. European **fabric orders** remained fairly stable quarter-on-quarter while they rose in South America. On a yearly basis South America's fabric orders declined significantly while they slightly increased in Europe.

World production of yarn and fabrics



For Q2/2017, estimates indicate a stable trend in both global yarn and fabric production.

For Q3/2017, the global outlook for both yarn production and fabric output signal further rise.

In Q1/2017, global **yarn production** rose by almost 30% quarter-on-quarter mainly due to the 31.8% increase in Asia. In North and South America yarn production increased by 13% and 3.5%, respectively. In Europe, there was a slight decline by 1.2%. Global yarn output increased by 1.9% in Q1/2017 versus Q1/2016. In Asia yarn output improved 2.1% year-on-year while in South America it declined by 4% and rose by 0.6% in North America. In Europe yarn output increased by 1.6% year-on-year.

Global **fabric production** fell by almost 15% in Q1/2017 against the previous quarter, with the most significant decrease by almost 17% in Asia. Year-on-year, global fabric output improved by 1.9% in Q1/2017. Thereby, Asian production increased by 2.6% and South America's output improved by 2.2%. Europe's fabric output fell by 8.7% year-on-year.

Global **yarn inventories** decreased in Q1/2017 by 6.6% quarter-on-quarter with decrease of 6.3% in Asia. In South America inventories fell by 10%. In Q1/2017, production of global yarn inventories continued to decrease with the annual percentage change of 1.9%. Thereby, Asian yarn stocks increased by 2.8% year-on-year. European yarn stocks fell by 9.5% annually and South American stocks diminished by over 41%.

Worldwide **fabric stocks** fell by 7.8% quarter-on-quarter in Q1/2017. The major culprit was South America, where stocks were reduced by 34.7%. In Asia fabric stocks increased by 0.6% while in North America they fell by 0.8%. On a yearly basis, global fabric inventories in Q1/2017 decreased by 12%. Asia's fabric stocks increased by 0.9% annually and South America's inventories fell by 45%. In Europe fabric inventories rose by 4.7% and in North America stocks remained unchanged year-on-year.

In Q1/2017, European **yarn orders** increased by 7.6% quarter-on-quarter and in South America they decreased by 3.7%. The annual percentage change of European yarn orders amounted to +1.1% and decreased by 1.1% in South America. European **fabric orders** in Q1/2017 rose by 0.4% quarter-on-quarter. South American fabric orders in Q1/2017 increased by 2.1% quarter-on-quarter. Year-on-year, fabric orders increased by 1.5% in Europe and in South America they fell by 22.4%.

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