

Quarter 2 / 2012



# STATE OF TRADE REPORT

INTERNATIONAL TEXTILE MANUFACTURERS FEDERATION  
FÉDÉRATION INTERNATIONALE DES INDUSTRIES TEXTILES  
INTERNATIONALE VEREINIGUNG DER TEXTILINDUSTRIE



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# Global Yarn Output Up in Q2/2012

## Estimates for Global Yarn and Fabric Output in Q3/2012

### Positive Outlook for Q4/2012 Unchanged/Positive

Output of global **yarn production** rose in the Q2/2012 in comparison to the previous one due to higher output in Asia, Europe and South America while production in North America was reduced. It has to be pointed out here that Asia's production is traditionally significantly higher in the second quarter compared to the first one as a result of fewer working days in China in the first quarter due to the Chinese New Year holidays. Also in comparison to last year's second quarter global yarn production rose in all regions apart from North America. Global **yarn stocks** rose slightly in Q2/2012 in comparison to the previous quarter mainly due to somewhat higher stocks in China, but plummeted significantly on an annual basis, especially in Asia and South America while remaining almost unchanged in Europe. **Yarn orders** were up in Europe but decreased in Brazil comparing to the Q1/2012. On an annual basis yarn orders were up strongly in Brazil and remained almost unchanged in Europe.

World **fabric production** increased in Q2/2012 due to higher output in South America, Europe and Asia. Year-on-year global fabric production was down; while it increased in Europe, it decreased both in Asia and South America. Global **fabric stocks** fell slightly in comparison to Q1/2012 as a consequence of lower inventories in North America, South America and Europe, while they remained practically unchanged in Asia. Year-on-year fabric stocks rose due to higher stocks in South America and Asia and despite lower ones in North America and Europe. **Fabric orders** in Brazil increased in Q2/2012 compared to the previous one and jumped year-on-year. In Europe they were level as compared to the previous quarter but down on an annual basis.

The **estimates for global yarn and fabric production** in the 3<sup>rd</sup> compared to the 2<sup>nd</sup> quarter of 2012 are positive. As far as yarn production is concerned, Asia, North and South America are expecting an increase in output while estimates for Europe are negative. Also global fabric production is expected to expand in Q3/2012 as a result of higher output in all regions, except Europe. The outlook for Q4/2012 remains stable both for global yarn and fabric production. Regional-wise only in Europe fabric production is expected to fall further.

In comparison with the previous quarter, world **yarn output** rose in Q2/2012 by +7.4% as a result of high production in Asia (+8.1%), especially in China (+9.5%), where as a consequence of the Chinese New Year holidays Q1/2012 had less working days. Nevertheless, also in Chinese Taipei (+6.7%), India (+4.5%), Japan (+2.3%), and Korea (+0.3%) output rose, whereas in Pakistan (-1.2%) production decreased. Also in Europe and South America yarn production increased in Q2/2012 by +2.9% and +1.4%, respectively. But yarn output fell significantly in North America (-7.7%). Year-on-year global yarn production rose by +7.7% with output up in South America (+20.8%), Europe (+12.4%) and Asia (+7.6%) and down in North America (-12.1%).

Compared with the previous quarter global **fabric production** rose by +3.5% in Q2/2012 as a consequence of higher output in South America (+7.1%), Europe (+5.0%) and Asia (+3.1%), where especially China recorded a higher output (+4.7%) due to the Chinese New Year holidays. In comparison to Q2/2011 world fabric production was down by -2.7% with Asia and South America reporting decreases of -3.2% and -2.1%, respectively. In Europe on the other hand output rose by +1.0% on an annual basis.

Global **yarn inventories** rose by +0.9% in Q2/2012 compared to the previous one with Asia (+1.5%) and Europe (+0.1%) recording higher inventories, while stocks fell in South America (-2.4%). On an annual basis global yarn stocks dropped by -21.5%, a consequence of lower stocks in Asia (-30.4%) and South America (-23.6%) and despite slightly higher stocks in Europe (+0.1%).

Global **fabric stocks** fell by -0.9% due to lower inventories in North America (-4.4%), South America (-1.3%) and Europe (-0.9%), while inventories in Asia remained practically unchanged (+0.1%). Year-on-year, global fabric inventories increased by +4.5%. This was mainly due to soaring fabric stocks in South America (+20.9%). Fabric stocks in Asia rose only slightly (+0.1%), while Europe and North America recorded lower fabric stocks (-0.7% and -6.6%, respectively).

**Yarn orders** in Europe were up by +0.9% in Q2/2012 compared to the previous one but down -3.6% in Brazil. Year-on-year yarn orders rose both in Europe and Brazil by +0.3% and +23.1%, respectively.

**Fabric orders** were unchanged in Europe (0.0%) in Q2/2012 in comparison to the previous one but up in Brazil (+6.9%). On an annual basis fabric orders fell in Europe by -2.6% and jumped in Brazil by +20.0%.

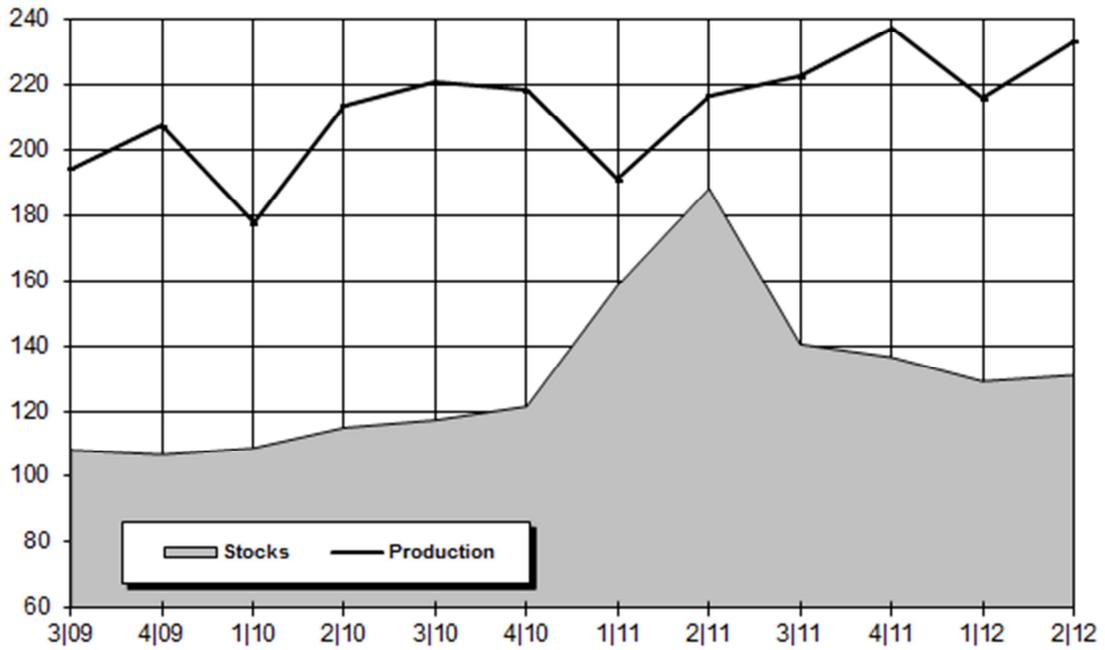
November 2012

# Asia

China, India (yarns only), Japan, Korea Rep., Pakistan, Taiwan

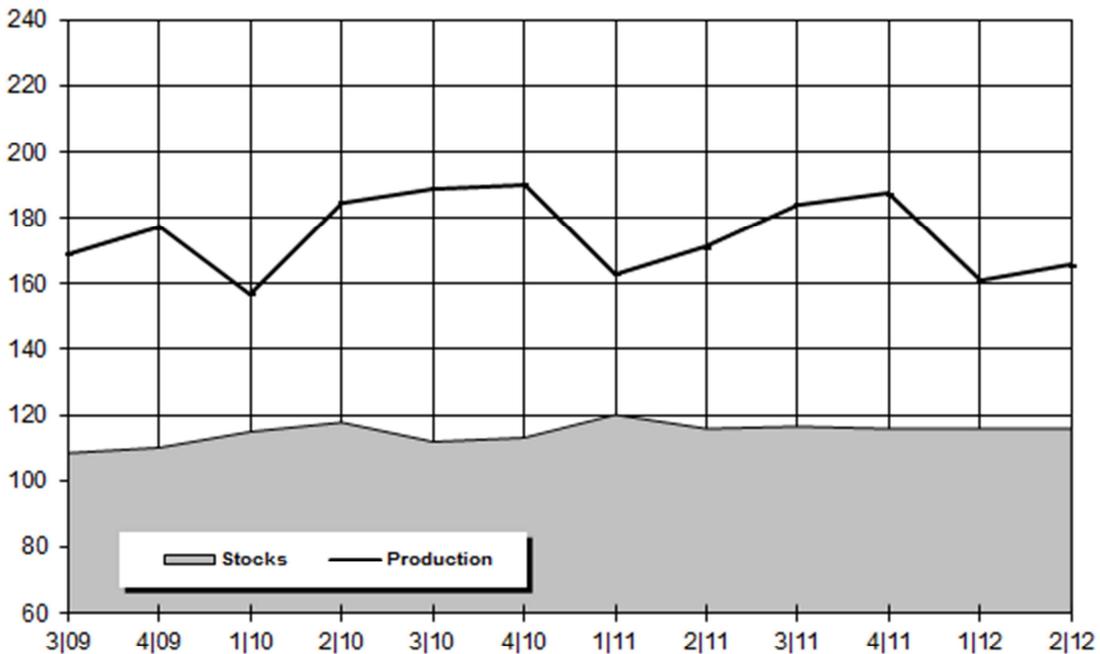
## Yarns

Index: Avr. Q1-Q4 2003 = 100



## Fabrics

Index: Avr. Q1-Q4 2003 = 100

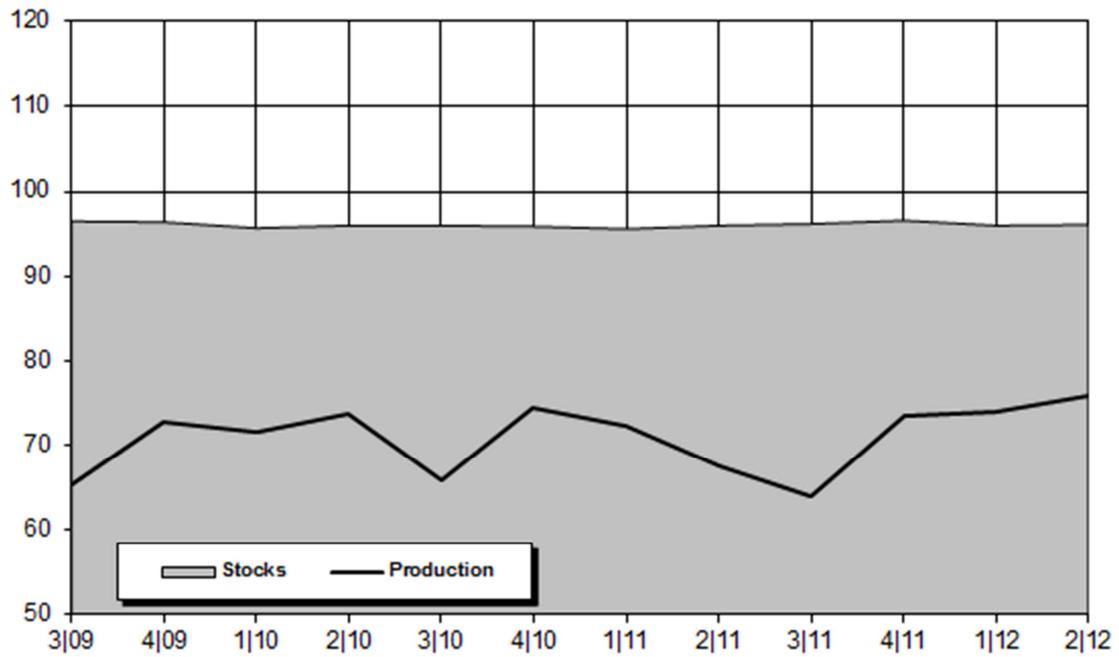


# Europe

Austria, Belgium, France, Germany, Italy, Spain, Switzerland, Turkey

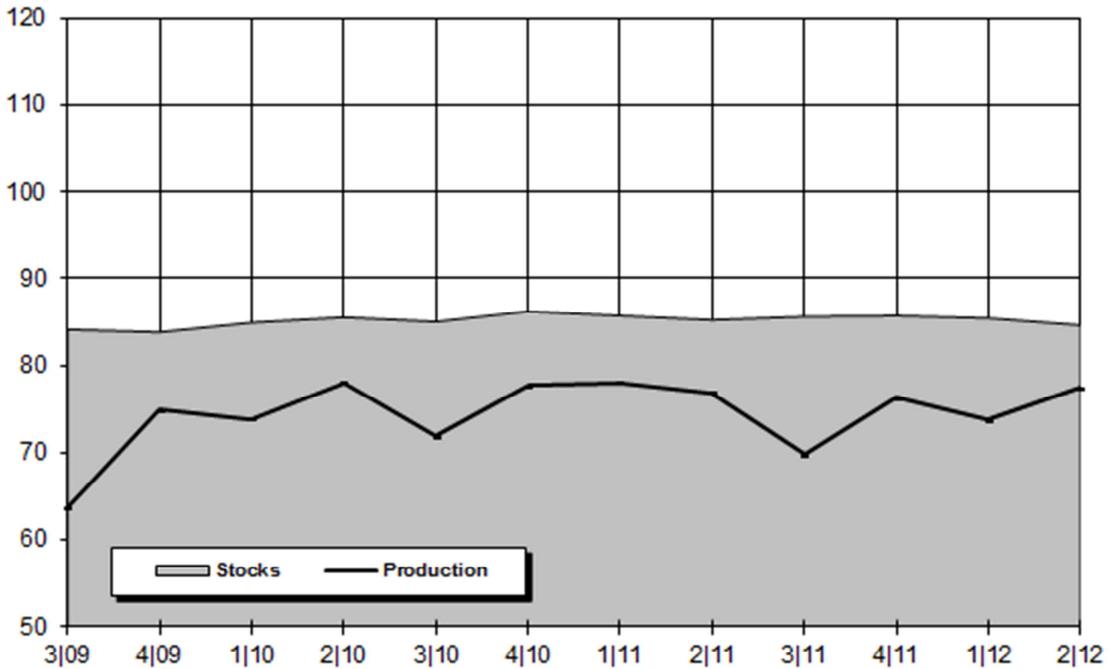
## Yarns

Index: Avr. Q1-Q4 2003 = 100



## Fabrics

Index: Avr. Q1-Q4 2003 = 100

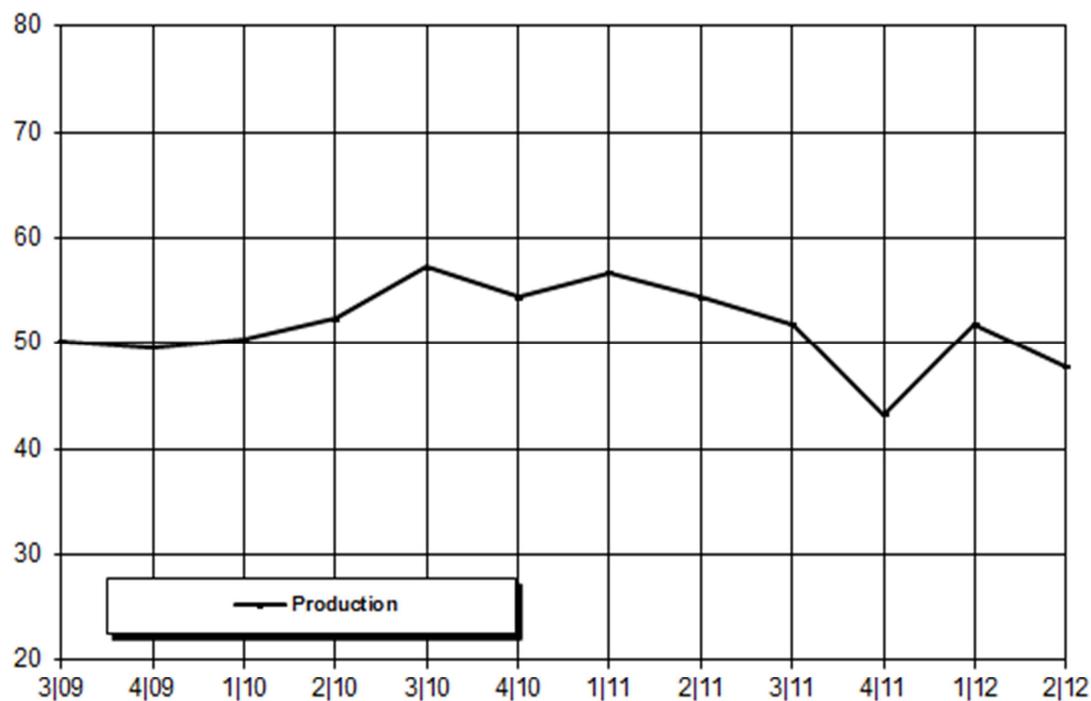


# North America

USA

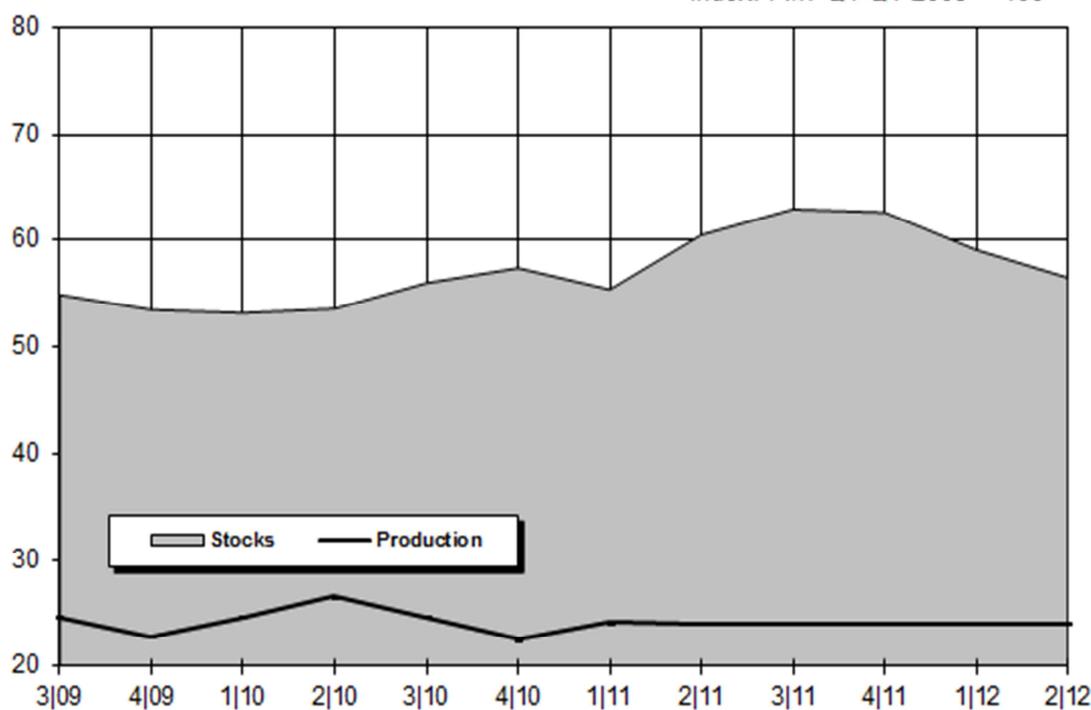
## Yarns

Index: Avr. Q1-Q4 2003 = 100



## Fabrics

Index: Avr. Q1-Q4 2003 = 100

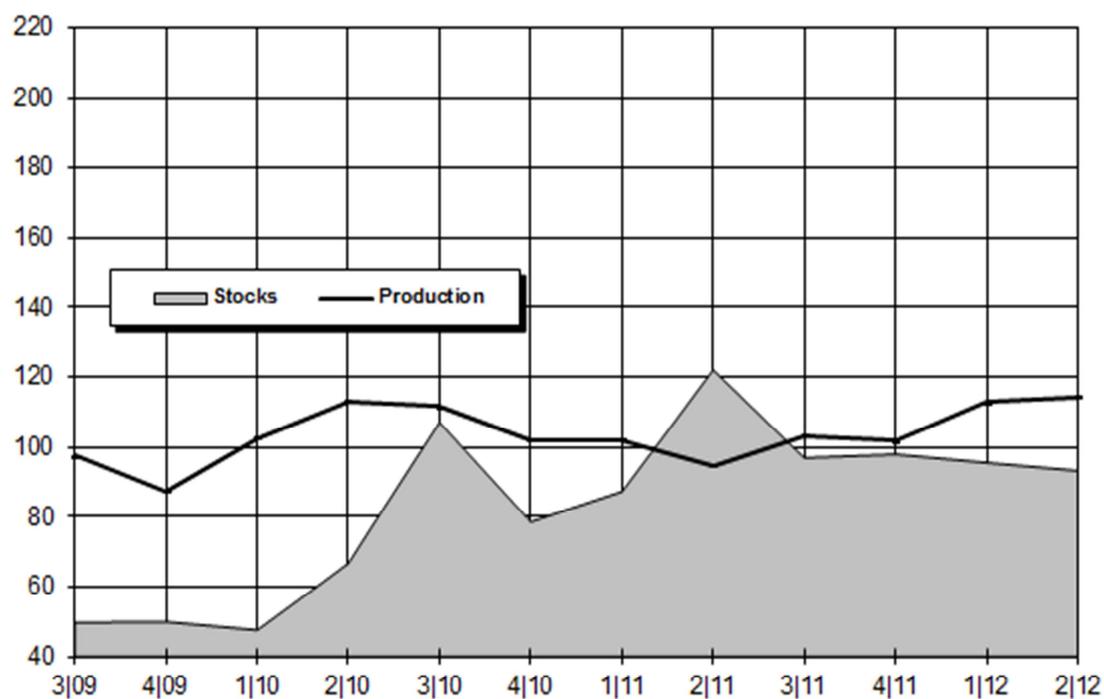


# South America

## Brazil

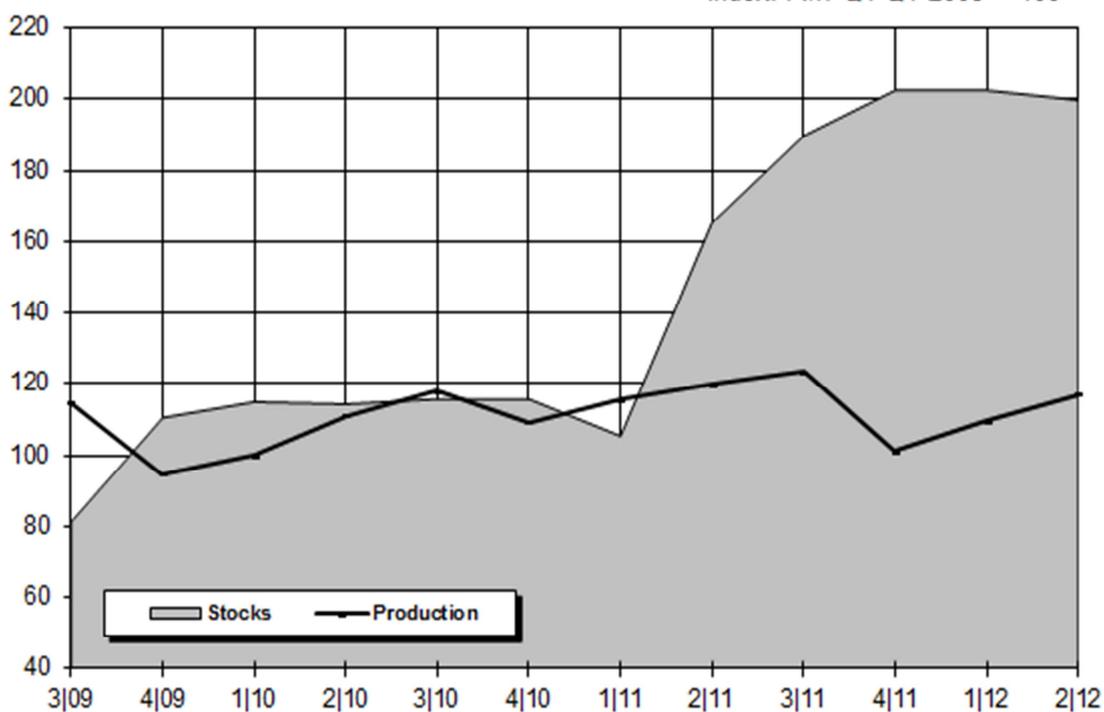
### Yarns

Index: Avr. Q1-Q4 2003 = 100



### Fabrics

Index: Avr. Q1-Q4 2003 = 100

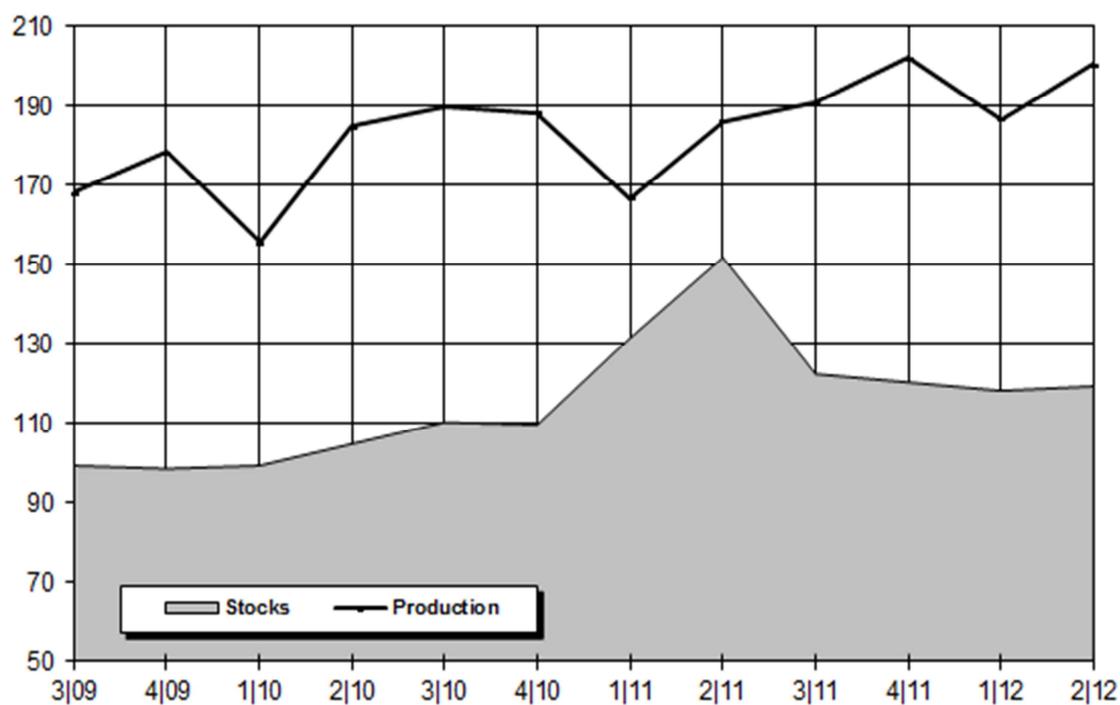


# World

Summary of Graphics pp. 3 - 6

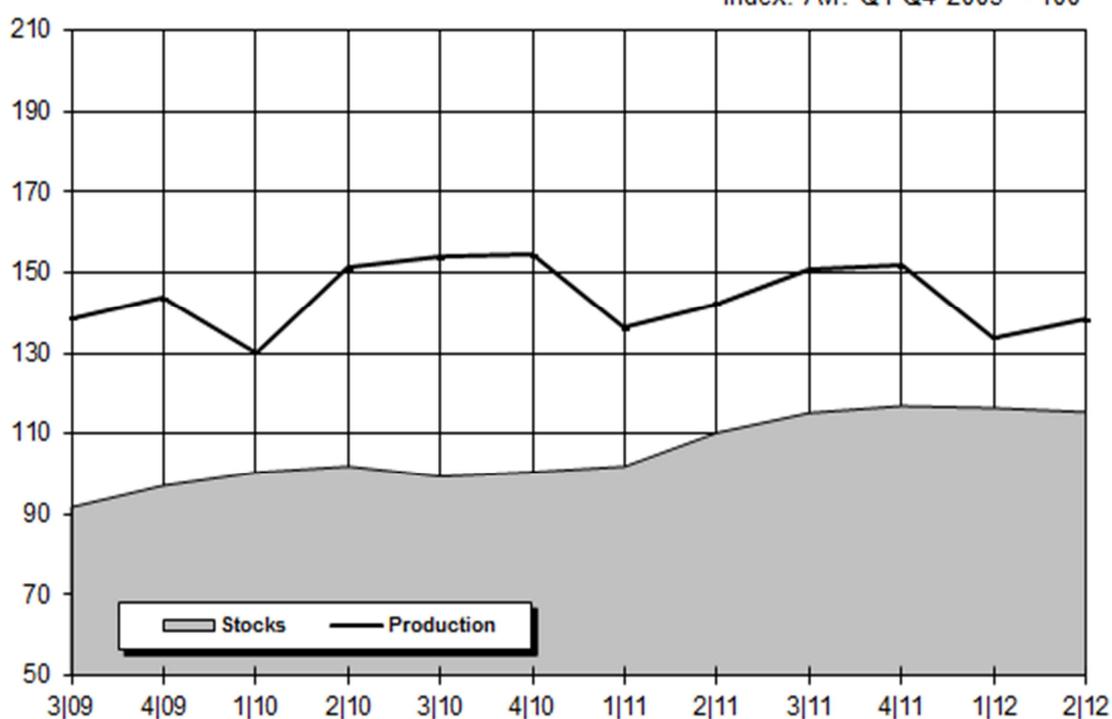
## Yarns

Index: Avr. Q1-Q4 2003 = 100



## Fabrics

Index: Avr. Q1-Q4 2003 = 100



# Yarn Production

Index: Avr. Q1-Q4 2003 = 100

	1/10	2/10	3/10	4/10	1/11	2/11	3/11	4/11	1/12	2/12	3/12	4/12
<b>China</b>	206.1	256.1	264.5	260.4	220.8	261.8	270.0	292.2	259.3	283.9	↗	n.a.
<b>India</b>	137.4	148.1	156.9	158.1	154.5	142.7	144.0	138.5	146.8	153.4	↗	↗
<b>Japan</b>	42.3	42.7	41.6	40.9	42.8	42.0	36.3	39.6	35.5	36.3	↘	↗
<b>Korea, Rep.</b>	80.5	85.6	79.7	88.9	86.1	86.9	83.1	93.9	94.1	94.4	↘	n.a.
<b>Pakistan</b>	116.1	119.0	121.4	121.3	122.3	121.8	123.0	122.8	121.2	119.8	↗	→
<b>Taiwan, China</b>	66.3	75.1	67.9	68.0	64.0	56.5	53.5	59.6	57.8	61.7	↘	↗
<b>Asia</b>	177.9	214.0	221.0	218.5	191.2	217.1	222.8	237.4	216.0	233.5	↗	→
<b>Austria</b>	70.5	73.7	66.6	72.6	77.1	71.9	47.9	57.8	63.7	66.6	→	→
<b>Belgium</b>	56.0	42.0	60.0	46.0	62.0	50.0	50.0	52.0	55.0	52.0	→	→
<b>France</b>	29.2	30.5	21.6	28.0	30.3	31.5	22.0	25.0	26.5	25.0	↘	↘
<b>Germany</b>	19.0	18.9	15.2	16.7	17.2	16.8	15.3	14.7	14.1	13.4	↘	n.a.
<b>Italy</b>	56.3	57.0	55.3	74.5	58.4	55.8	53.0	62.8	49.8	47.8	↘	n.a.
<b>Spain</b>	48.1	57.3	28.7	46.3	50.9	58.6	30.5	36.5	38.8	37.3	→	↗
<b>Turkey</b>	81.5	84.1	75.6	83.0	81.9	75.7	73.8	84.5	86.9	90.3	↗	n.a.
<b>Europe</b>	71.5	73.7	65.9	74.3	72.3	67.5	63.9	73.3	73.8	75.9	↘	→
<b>North America (USA)</b>	50.3	52.3	57.2	54.4	56.7	54.4	51.8	43.3	51.8	47.8	↗	n.a.
<b>South America (Brazil)</b>	102.8	113.2	111.8	102.3	102.2	94.7	103.4	101.9	112.8	114.4	↗	n.a.
<b>World (above countries)</b>	155.7	185.1	190.2	188.4	166.8	186.3	190.8	202.4	186.8	200.6	↗	→
<b>Other Countries</b>												
<b>Egypt</b>	72.0	74.5	68.7	64.5	56.0	55.1	40.0	38.1	37.9	43.4	n.a.	n.a.
<b>South Africa</b>	58.6	59.5	56.8	65.0	53.6	49.9	51.3	53.3	52.1	47.8	n.a.	n.a.

# Fabric Production

Index: Avr. Q1-Q4 2003 = 100

	1/10	2/10	3/10	4/10	1/11	2/11	3/11	4/11	1/12	2/12	3/12	4/12
<b>China</b>	170.8	214.6	226.9	227.3	177.9	195.7	216.7	223.0	178.0	186.4	↗	n.a.
<b>Japan</b>	24.6	23.7	24.2	24.9	25.4	26.3	25.0	23.9	24.0	24.0	→	→
<b>Korea, Rep.</b>	22.8	25.7	23.8	24.4	22.6	20.3	17.8	19.2	22.1	25.2	↘	n.a.
<b>Pakistan</b>	152.5	157.1	149.2	151.2	156.8	151.2	152.2	151.6	151.1	151.2	↗	→
<b>Taiwan, China</b>	40.0	44.4	45.0	45.7	42.4	37.8	39.5	40.8	37.8	39.2	↗	↗
<b>Asia</b>	157.2	184.7	189.1	190.1	163.0	171.3	184.1	187.6	160.9	165.9	↗	→
<b>Austria</b>	62.0	67.7	62.0	73.2	74.8	76.0	68.1	62.0	61.3	59.7	↘	↘
<b>Belgium</b>	71.0	55.0	61.0	81.0	75.0	55.0	70.0	76.0	69.0	60.0	→	→
<b>France</b>	50.3	52.6	36.5	44.8	49.3	54.0	35.0	43.0	47.5	47.0	↘	↘
<b>Germany</b>	65.1	65.0	64.7	63.7	65.5	65.0	65.6	63.2	60.2	61.1	↘	↘
<b>Italy</b>	67.2	65.5	60.4	68.7	71.9	64.9	59.7	64.4	58.8	56.5	↘	n.a.
<b>Spain</b>	43.2	39.8	30.8	43.9	46.5	41.1	36.2	40.9	43.3	44.0	→	↗
<b>Turkey</b>	84.0	93.0	85.8	90.3	89.3	90.4	81.1	90.4	87.9	95.6	→	n.a.
<b>Europe</b>	73.8	78.0	71.8	77.6	78.0	76.6	69.8	76.1	73.7	77.4	→	↘
<b>North America (USA)</b>	24.6	26.5	24.6	22.5	24.1	24.0	24.0	24.0	24.0	24.0	n.a.	n.a.
<b>South America (Brazil)</b>	99.9	111.1	118.0	109.2	115.6	119.7	123.4	101.0	109.4	117.2	↗	n.a.
<b>World (above countries)</b>	130.3	151.2	153.9	154.3	136.3	142.3	150.6	151,8	133.8	138.5	↗	→
<b>Other Countries</b>												
<b>Egypt</b>	62.5	58.9	56.1	47.5	42.0	43.8	39.0	39.2	37.3	45.6	n.a.	n.a.
<b>India</b>	137.3	136.6	149.8	152.3	152.6	138.6	146.8	149.5	148.9	157.4	↗	↗
<b>South Africa</b>	58.7	59.6	56.9	65.3	53.9	50.2	51.6	53.7	52.5	47.4	n.a.	n.a.

# Yarn Stocks

Index: Avr. Q1-Q4 2003 = 100

	3/09	4/09	1/10	2/10	3/10	4/10	1/11	2/11	3/11	4/11	1/12	2/12
<b>India</b>	111.5	112.5	119.7	130.8	133.4	145.6	226.5	286.7	181.0	172.7	155.7	161.6
<b>Japan</b>	66.3	57.1	54.4	48.9	42.1	34.3	31.3	34.4	35.9	34.2	39.6	38.2
<b>Korea, Rep.</b>	58.2	43.4	43.4	53.9	55.5	41.7	46.4	88.7	74.6	72.7	86.8	87.0
<b>Pakistan</b>	118.7	117.6	115.1	117.9	120.3	120.2	121.2	120.7	121.9	121.8	120.1	118.7
<b>Taiwan, China</b>	71.8	68.1	65.4	59.4	64.3	60.7	70.3	79.9	72.7	69.1	68.0	66.0
<b>Asia</b>	108.1	106.7	108.7	115.0	117.3	121.5	158.7	188.4	140.6	136.6	129.2	131.1
<b>Austria</b>	67.8	70.1	50.2	46.9	56.7	51.9	34.7	54.3	72.8	82.5	53.1	62.8
<b>Belgium</b>	80.0	78.0	74.0	77.0	75.0	75.0	64.0	60.0	60.0	61.0	60.0	62.0
<b>France</b>	40.0	40.0	44.0	46.0	42.0	43.0	45.0	47.0	45.0	45.0	44.0	43.0
<b>Germany</b>	21.0	20.6	14.0	14.0	14.7	12.8	12.8	12.8	12.8	12.8	12.8	12.8
<b>Spain</b>	17.2	16.5	15.7	21.2	21.3	22.5	24.5	26.5	27.0	28.5	28.5	28.5
<b>Turkey</b>	110.0	110.0	110.0	110.0	110.0	110.0	110.0	110.0	110.0	110.0	110.0	110.0
<b>Europe</b>	96.3	96.2	95.5	95.8	95.9	95.8	95.5	95.9	96.1	96.5	95.9	96.0
<b>South America (Brazil)</b>	49.9	50.1	47.7	66.8	107.2	78.6	87.3	122.1	97.0	98.0	95.6	93.3
<b>World (above countries)</b>	99.4	98.6	99.4	104.9	110.4	109.8	131.6	152.0	122.5	120.4	118.3	119.4
<b>Other Countries</b>												
<b>Egypt</b>	291.0	222.1	179.2	160.4	133.5	141.5	181.0	181.2	215.0	225.3	147.6	175.0

# Fabric Stocks

Index: Avr. Q1-Q4 2003 = 100

	3/09	4/09	1/10	2/10	3/10	4/10	1/11	2/11	3/11	4/11	1/12	2/12
<b>Japan</b>	39.4	36.1	24.1	23.4	24.3	23.3	28.6	31.3	32.1	25.2	29.8	29.8
<b>Korea, Rep.</b>	25.9	29.8	33.1	33.8	35.5	35.2	34.4	37.3	32.0	25.5	25.8	20.9
<b>Pakistan</b>	115.9	118.0	124.2	127.9	121.4	123.1	130.5	125.9	126.7	126.2	125.8	125.9
<b>Taiwan, China</b>	74.0	72.5	69.7	62.6	59.7	56.8	59.0	53.6	55.4	57.1	59.3	60.0
<b>Asia</b>	108.6	110.2	115.0	117.8	112.0	113.2	120.1	115.9	116.6	115.9	115.9	116.0
<b>Austria</b>	100.5	91.1	92.9	92.9	96.2	96.5	106.3	106.6	111.9	109.4	110.4	89.1
<b>Belgium</b>	42.0	40.0	48.0	53.0	50.0	45.0	40.0	35.0	50.0	55.0	54.0	50.0
<b>France</b>	64.0	64.0	70.4	73.6	71.0	72.0	76.5	74.5	71.5	72.0	74.0	74.0
<b>Germany</b>	64.0	63.0	65.0	64.0	61.0	70.0	65.0	63.0	62.0	60.8	58.0	56.7
<b>Spain</b>	15.8	17.2	18.2	23.4	25.2	24.3	22.8	24.5	25.5	27.8	27.8	27.8
<b>Turkey</b>	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
<b>Europe</b>	84.1	83.8	84.9	85.5	85.0	86.2	85.7	85.2	85.6	85.7	85.4	84.6
<b>North America (USA)</b>	54.9	53.5	53.2	53.6	56.0	57.4	55.4	60.5	62.9	62.6	59.1	56.5
<b>South America (Brazil)</b>	81.3	110.5	114.9	114.3	115.7	115.7	105.4	165.3	189.8	202.5	202.5	199.8
<b>World (above countries)</b>	91.8	97.2	100.5	102.0	99.5	100.6	102.0	110.3	115.1	116.8	116.3	115.7
<b>Other Countries</b>												
<b>Egypt</b>	82.1	84.4	77.2	74.9	75.0	69.8	74.3	87.2	73.0	69.8	67.0	66.6

# Yarn Orders

Index: Avr. Q1-Q4 2003 = 100

	3/09	4/09	1/10	2/10	3/10	4/10	1/11	2/11	3/11	4/11	1/12	2/12
<b>Austria</b>	61.2	73.3	66.7	76.4	56.7	88.7	70.2	48.0	42.8	75.6	49.4	83.6
<b>Belgium</b>	36.0	38.0	47.0	40.0	45.0	45.0	70.0	55.0	55.0	47.0	50.0	50.0
<b>France</b>	4.3	3.5	3.9	4.0	3.8	4.2	4.7	5.0	3.4	3.6	3.9	3.5
<b>Germany</b>	12.2	12.0	9.1	9.2	8.7	10.4	9.5	8.4	8.0	8.2	7.4	7.6
<b>Spain</b>	68.5	72.5	74.8	81.6	75.3	77.7	78.1	79.0	76.5	73.4	73.4	73.4
<b>Turkey</b>	77.0	79.0	79.0	79.0	79.0	79.0	79.0	79.0	79.0	79.0	79.0	79.0
<b>Europe</b>	68.8	70.8	70.8	71.2	70.6	71.4	71.5	70.8	70.5	70.9	70.4	71.0
<b>South America (Brazil)</b>	120.4	105.5	113.1	98.0	90.6	97.6	84.5	58.8	72.6	70.0	75.1	72.4
<b>Other Countries</b>												
<b>Egypt</b>	66.2	81.4	78.7	76.3	72.5	62.3	48.6	41.5	39.0	35.1	37.9	43.0
<b>Korea, Rep.</b>	76.5	86.7	81.6	82.1	79.7	95.6	85.9	72.3	90.2	95.9	89.8	95.3

# Fabric Orders

Index: Avr. Q1-Q4 2003 = 100

	3/09	4/09	1/10	2/10	3/10	4/10	1/11	2/11	3/11	4/11	1/12	2/12
<b>Austria</b>	47.9	57.9	49.3	66.7	61.5	72.4	80.5	74.9	67.6	61.3	66.0	58.8
<b>Belgium</b>	70.0	68.0	78.0	74.0	80.0	80.0	94.0	80.0	70.0	75.0	72.0	70.0
<b>France</b>	11.9	8.7	9.6	10.0	12.0	9.0	10.1	10.5	10.0	8.7	9.5	9.0
<b>Germany</b>	60.9	64.5	65.1	69.9	71.6	71.8	47.8	70.8	70.2	69.5	65.4	67.1
<b>Spain</b>	42.0	43.1	46.9	45.3	44.8	48.0	49.2	45.7	39.8	37.8	37.8	37.8
<b>Turkey</b>	81.0	83.0	83.0	83.0	83.0	83.0	83.0	83.0	83.0	83.0	83.0	83.0
<b>Europe</b>	69.5	71.4	72.0	72.8	73.3	73.6	70.9	73.4	72.4	72.0	71.5	71.5
<b>South America (Brazil)</b>	101.6	74.2	101.9	97.4	101.8	92.9	88.5	79.2	91.6	74.9	88.9	95.0
<b>Other Countries</b>												
<b>Egypt</b>	54.0	58.0	59.3	60.5	52.0	56.3	31.1	39.5	38.3	41.2	35.6	46.5
<b>Korea, Rep.</b>	14.4	13.5	13.8	16.6	14.2	17.8	19.9	12.5	11.2	13.9	13.5	17.9

# Notes

Unless otherwise stated, the State of Trade Report reflects the activity level in the short-staple sector of the textile industry. The short-staple sector is meant to cover the spinning and weaving of cotton and man-made fibres. This would generally exclude wool and hard fibres. Further details relating to the data basis and methodological approach used for this report may be obtained from the ITMF Secretariat.

## **Belgium**

Fabric order data are based on value.

## **France**

Data for the reference quarter are provisional.

## **Germany**

Data for yarn stocks are no longer available.

## **India**

Data for the weaving sector relate to the organized (mill-) sector only. Data for the reference quarter are provisional.

## **Italy**

Data for the reference quarter are provisional. Data for orders and stocks are no longer available.

## **Pakistan**

Data for the reference quarter are provisional.

## **South Africa**

Data for the reference quarter are provisional.

## **Turkey**

Yarn and fabric production data from Q 3/09 onwards refer to total production. Data for yarn and fabric production on the cotton system are no longer available.

## **USA**

Total yarn production data from Q 3/09 onwards are revised and based on cotton yarn only. Fabric production data for Q 2/11 – Q 2/12 are provisional, pending revision. Data for yarn stocks are not available.

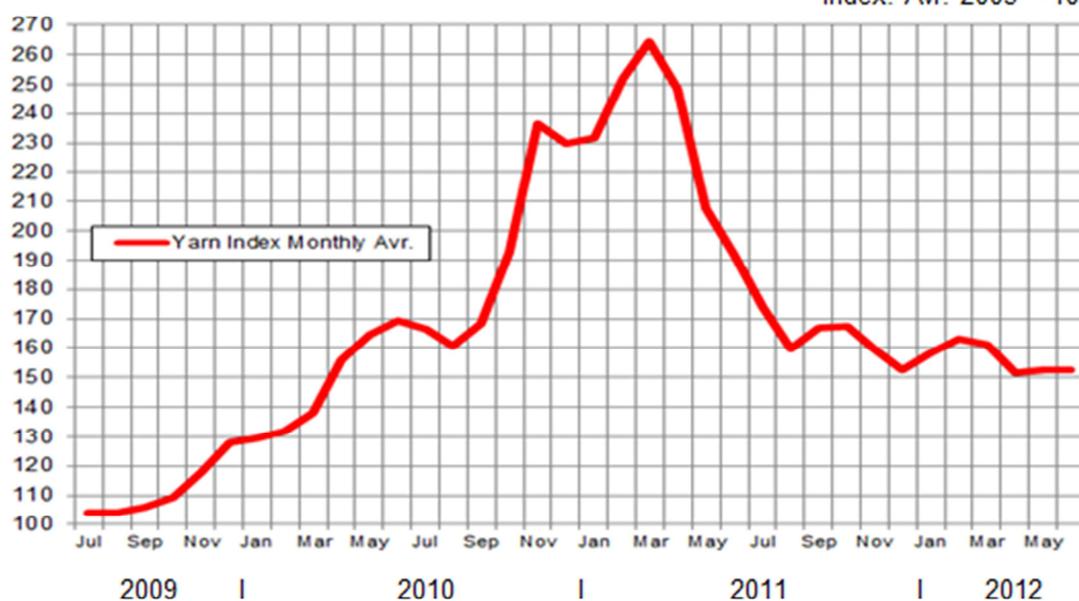
## **Cotlook Yarn Index**

The yarn prices on which the Cotlook Yarn Index is based are collected from sources which Cotlook Ltd. believe to be accurate and have been interpreted in a manner which Cotlook Ltd. trusts is a true reflection of market levels. However, Cotlook Ltd. and ITMF accept no legal responsibility for any inaccuracy or misinterpretation or misrepresentation published herewith, even if caused by negligence by them, their employees or agents.

# Yarn Prices

## Cotlook Yarn Index

Index: Avr. 2005 = 100



The Yarn Price Index is calculated from the average FOB quotation (in US dollars per kg) for ring spun carded 20's and 30's in the following countries: India, Indonesia, Pakistan, Turkey and China.

The Index base (=100) is the export-weighted average price prevailing in these markets over the year 2005.

	Quarterly average export prices (in USD dollars per kg FOB)											
	20's yarn						30's yarn					
	1/2011	2/2011	3/2011	4/2011	1/2012	2/2012	1/2011	2/2011	3/2011	4/2011	1/2012	2/2012
China	5.41	4.95	4.10	3.68	3.47	3.32	5.66	5.24	4.40	4.17	4.12	4.07
India	5.23	4.29	3.11	3.08	3.34	3.07	5.43	4.49	3.31	3.27	3.54	3.33
Indonesia	5.50	4.85	3.87	3.55	3.52	3.40	5.77	5.40	4.12	3.85	3.85	3.72
Pakistan	4.85	3.91	2.88	2.96	3.02	2.95	5.35	4.39	3.43	3.34	3.36	3.27
Turkey	5.74	5.44	3.90	3.61	3.54	3.50	5.94	5.64	4.10	3.81	3.74	3.70
Index Group	5.22	4.46	3.40	3.30	3.29	3.14	5.53	4.80	3.74	3.66	3.71	3.61