

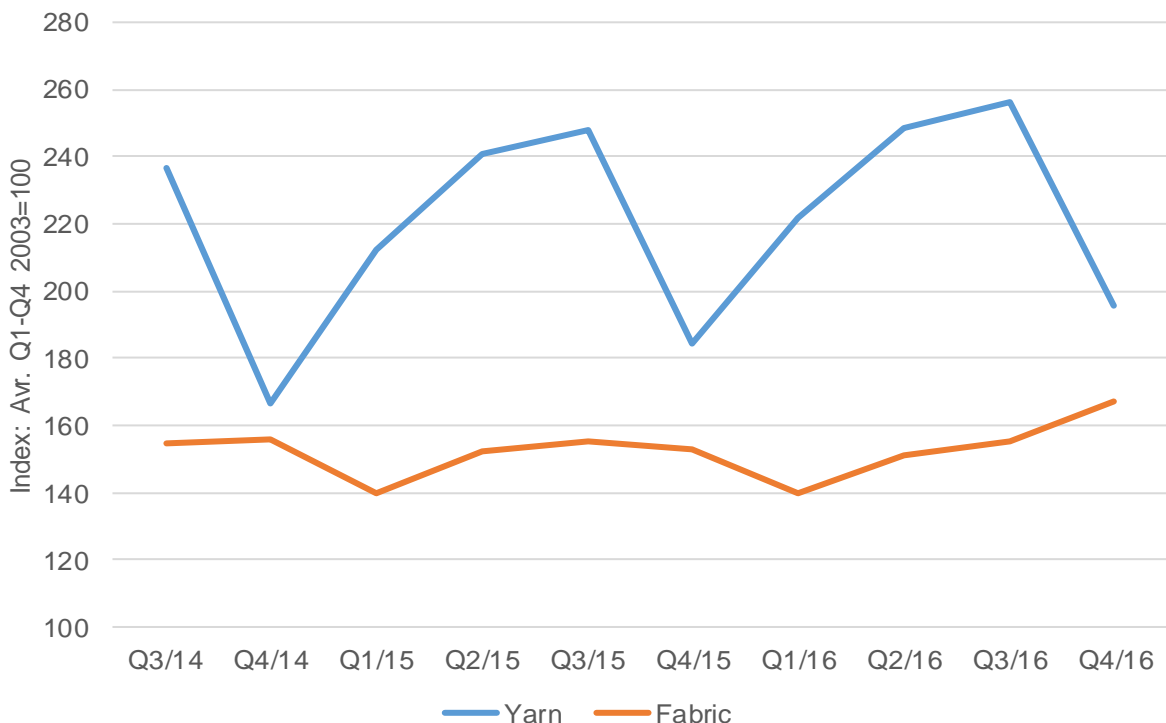
Global fabric output increased in Q4/2016, while global yarn production fell

Global fabric output is expected to improve in Q1/2017 and remain unchanged in Q2/2017. Global yarn production should remain unchanged in Q1/2017 and is expected to decline Q2/2017.

The global **yarn production** fell in Q4/2016 quarter-on-quarter. Thereby, output in Asia, in North and in South America decreased. In Europe, it increased. On an annual basis, the global yarn production in Q4/2016 increased versus Q4/2015. Global yarn stocks climbed in Q4/2016 quarter-on-quarter. Yarn stocks were reduced in South America. In Asia, they fell. Year-on-year, global yarn stocks improved. **Yarn orders** in Europe fell and in South America they increased quarter-on-quarter. Compared to the same quarter a year ago, yarn orders increased in South America and fell in Europe.

Global **fabric production** increased in Q4/2016 against Q4/2016 due to increases in Asia and in Europe. In contrast, South America's fabric production decreased. Global fabric output improved year-on-year in Q4/2016. Thereby, Asian and South American output increased, while it fell in Europe. In Q4/2016, worldwide **fabric stocks** fell quarter-on-quarter. Fabric inventories were reduced in all examined regions except for Europe where they remained unchanged. Year-on-year, fabric stocks declined. European **fabric orders** increased quarter-on-quarter and they fell in South America. On a yearly basis South America's fabric orders declined and they remained unchanged in Europe.

World production of yarn and fabrics



For Q1/2017, estimates indicate an unchanged global yarn production and a rising fabric production.

For Q2/2017, the global outlook for yarn production signals a decline and the outlook for global fabric output indicates an unchanged development.

In Q4/2016, global **yarn production** fell by nearly 24% quarter-on-quarter mainly due to the exceptionally strong decline in Asia by 25%. In North and South America yarn output fell by 6% and 20%, respectively. In Europe, in contrast, it rose by 19%. Global yarn output increased by 6% in Q4/2016 versus Q4/2015. In Asia yarn output improved by 6.4% year-on-year and in South America by 20%. In Europe and North America yarn output declined by 1.5% year-on-year and by 0.4%, respectively.

Global **fabric production** increased by 7.5% in Q4/2016 against the previous quarter. While Asian and European output grew by 8% and 13%, respectively, South American fabric production fell by 9.4% quarter-on-quarter. Year-on-year, global fabric output improved by 9% in Q4/2016. Thereby, Asian production increased by 10% and South America's output improved by 36%. Europe's fabric output fell by 7.6% year-on-year.

Global **yarn inventories** increased in Q4/2016 by 5.4% quarter-on-quarter with increases of 10% in Asia. In contrast, in South America inventories fell by 36%. In Q4/2016, the annual percentage change of global yarn inventories recorded a decrease of 1%. Thereby, Asian yarn stocks increased by 3% year-on-year. European yarn stocks fell by 0.6% annually and South American stocks diminished by over 35%.

Worldwide **fabric stocks** fell by 1.5% quarter-on-quarter in Q4/2016. The major culprit was South America, where stocks were reduced by 5%. In Asia and North America fabric stocks were reduced by 0.3% and 1.2%, respectively. On a yearly basis, global fabric inventories in Q4/2016 decreased by 4%. Asia's fabric stocks decreased by 0.3% annually and South America's inventories fell by 14%. In Europe and North America stocks remained unchanged year-on-year.

In Q4/2016, European **yarn orders** fell by 2.6% quarter-on-quarter and in South America they increased by over 4%. The annual percentage change of European yarn orders amounted to -2.6% and to nearly +129% in South America. European **fabric orders** in Q4/2016 rose by 1.4% quarter-on-quarter. South American fabric orders in Q4/2016 fell by 35% quarter-on-quarter. Year-on-year, fabric orders remained unchanged in Europe and in South America they fell by over 20%.

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