

# ITMF PRESS RELEASE

International Textile Manufacturers Federation, Wiedingstrasse 9, CH-8055 Zürich, Phone (+41-44) 283 63 80, Fax (+41-44) 283 63 89

## Drop of Global Yarn Output in Q4/2012

### Estimates for Q1/2013 as well as Outlook for Q2/2013 for Global Yarn and Fabric Production Are Positive

Output of global **yarn production** plummeted in Q4/2012 in comparison to the previous one due to lower output in Asia, North and South America, while production in Europe increased. Also year-on-year global yarn production dropped as a consequence of lower production in Asia and North America and despite higher output in Europe and South America. Global **yarn stocks** rose in Q4/2012 in comparison to the previous quarter mainly due to higher stocks in Asia and Europe while inventories in South America fell. On an annual basis global yarn inventories were down due to lower stocks in all regions. **Yarn orders** in Q4/2012 were down both in Europe and Brazil in comparison to Q3/2012. Also on an annual basis yarn orders dropped both in Europe and Brazil.

World **fabric production** increased in Q4/2012 in spite of lower output in South America due to increased production levels in Asia and Europe. Also year-on-year global fabric production was up with contributions from all regions. Global **fabric stocks** fell slightly in comparison to the previous quarter as a consequence of lower inventories in South and North America and despite slightly higher ones in Europe and Asia. Year-on-year fabric stocks decreased due to a reduction of stocks in all regions with the exception of Asia. **Fabric orders** decreased both in Europe and Brazil in Q4/2012 and also year-on-year.

The **estimates for global yarn and fabric production** in the 1<sup>st</sup> quarter 2013 compared to the 4th quarter of 2012 are positive in Asia and South America and stable in Europe (estimates for China were not available). The **outlook for global yarn and fabric production** in Q2/2013 is also positive. Regional-wise Asia is expecting higher yarn and fabric production levels, while the outlook in Europe is slightly negative for yarn and fabric production. In South America the outlook for both yarn and fabric production is stable.

In comparison with the previous quarter, world **yarn output** dropped in Q4/2012 by -20.2% as a result of lower production in Asia (-21.7%). This decline was a consequence of lower output in China alone (-26.4%), whereas output in Japan, (+7.9%), Taiwan, China (+3.1%), Pakistan (+2.1%) and India (+0.8%) rose. Yarn production fell in North America (-7.0%) as well as in South America but increased in Europe (+7.2%). Year-on-year global yarn production decreased by -15.2% with output down in Asia (-16.6%) and North America (-7.6%) and despite higher production in South America (+10.6%) and Europe (+3.0%).

Compared with the previous quarter global **fabric production** rose by +7.4% in Q4/2012 as a consequence of higher output in Asia (+9.4%) and Europe (+7.7%), while South America recorded a reduction of -15.0%. In comparison to Q4/2011 world fabric production was up by +1.1% with all regions contributing to this increase (Europe: +3.6%, South America: +1.3% and Asia: +0.7%).

p.t.o.

Global **yarn inventories** rose by +1.2% in Q4/2012 compared to the previous quarter with both South America (+5.6%) and Asia (+0.8%) recording higher yarn inventories, while stocks fell in Europe by -0.6%. On an annual basis global yarn stocks dropped by -9.1%, a consequence of lower stocks in Asia (-15.4%), Europe (-7.1%) and South America (-3.0%).

Global **fabric stocks** were down by -1.8% due to lower inventories in South America (-6.3%), and North America (-1.3%), while inventories in both Europe and North America were practically unchanged (+0.2% and +0.1%, respectively). Year-on-year, global fabric inventories decreased by -2.2%. This was due to lower fabric stocks in North America (-11.3%), Europe (-7.2%) and South America (-5.3%) and despite higher fabric stocks in Asia (+0.7%).

**Yarn orders** in both Europe and Brazil were down in Q4/2012 compared to the previous one by -6.5% and -14.1%, respectively. Also year-on-year yarn orders declined both in Brazil and Europe by -14.1% and -6.7%, respectively.

In Brazil and Europe **fabric orders** decreased in Q4/2012 by -26.4% and -1.2%, respectively. On an annual basis fabric orders fell with Brazil recording a reduction of -13.4% and Europe a drop of -6.5%.

May 2013