



INTERNATIONAL TEXTILE MANUFACTURERS FEDERATION

PRESS RELEASE

STATE OF TRADE REPORT 3Q 2010

New Records in Global Yarn and Fabric Production

Asia's Share Continues to Rise

The strong global recovery in yarn and fabric production since their lows in the 1st quarter of 2009 continued also into the 3rd quarter of 2010. Both global yarn and fabric production rose compared to the 2nd quarter of 2010 as well as to last year's 3rd quarter. Output increases of yarns could be observed in Asia and North America while Europe and South America recorded reductions. Fabric production grew in Asia and South America but shrank in Europe and North America. Global yarn stocks rose in the 3rd quarter of 2010 as compared to the previous quarter even though Asia's yarn inventories fell slightly. In comparison to the 3rd quarter of 2009 yarn stocks worldwide increased as a result of much higher stocks in South America and despite lower stocks in Asia and Europe. Global fabric inventories came down in the 3rd quarter as compared to the previous one mainly due to lower stocks in Asia and Europe and despite higher stocks in North and South America. Yarn orders fell both in Europe and Brazil in comparison to the 2nd quarter of 2010. When comparing to the 3rd quarter of 2009 Europe's yarn orders were higher while those in Brazil dropped significantly. Fabric orders in Brazil grew compared to the previous quarter, while Europe's were slightly lower. In comparison to previous year's 3rd quarter Brazil and Europe recorded higher yarn orders.

World yarn production rose by +1.9% in the 3rd quarter of 2010 in comparison to the previous one. This increase was the result of increases in North America and Asia (+4.5% and +2.4%, respectively) while yarn production dropped in Europe (-10.5%) and to a much smaller extent in South America (-1.2%). In comparison to last year's quarter all regions recorded higher output levels. With a jump of +14.7%, South America's yarn production surged impressively followed by Asia (+12.0%), North America (+11.9%) and Europe (+0.9%).

Also worldwide fabric production continued to increase by +1.9% in the 3rd quarter of 2010. Lower output levels in Europe (-7.2%) and North America (-6.5%) were offset by increases in South America (+6.2%) and Asia (+2.4%). Year-on-year global fabric production increased by +11.2%. All regions recorded higher output levels. In Europe fabric production was up by +13.1%, in Asia by +11.9% and in South America by +3.0%.

World yarn inventories rose in the 3rd quarter of 2010 by +3.5%. In South America they soared by +60.5% and remained almost unchanged in Europe (+0.1%) but fell slightly in Asia (-0.8%). On an annual basis world yarn stocks were up by +5.0% due to soaring inventories in South America (+114.8%) while they fell slightly in Asia and Europe (-1.2% and -0.4%, respectively).

Fabric stocks were down by -2.5% globally in the 3rd quarter of 2010 with Asia and Europe recording decreases of -4.9% and -0.6%, respectively. In North and South America fabric stocks rose by +4.5% and +1.2%, respectively. In comparison to previous year's 3rd quarter, global fabric inventories increased by +8.4% due to increased stocks in all regions. Especially South America recorded a surge (+42.3%) while fabric stocks in Asia, North America and Europe were up by +3.1%, +2.0% and +1.0%, respectively.

In the 3rd quarter of 2010 yarn orders in Brazil and Europe fell by -7.6% and -0.8%, respectively. Year-on-year Europe's yarn orders were still up +2.6% while Brazil's dropped by -24.8%. Fabric orders in Europe remained almost unchanged (-0.3%) in the 3rd quarter but rose in Brazil by +4.5%. On an annual basis fabric orders in Europe were up by +7.3% and with +0.2% unchanged in Brazil.

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